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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,452 Friday October 19 1984 D 8523 B

French economy comes down to earth with a bump, Page 18

NEWS SUMMARY

GENERAL

Mondale narrows Reagan's poll lead

Walter Mondale, Democratic presidential challenger, narrowed President Ronald Reagan's opinion poll lead to 12 percentage points in the latest Washington Post/ABC News survey.

The result, confirming the trend of other polls over the past 10 days, came as both candidates took time off to prepare for the second and final round of televised debate on Sunday.

The latest poll showed that while Mr Mondale had improved his overall popularity and leadership image, he had made no significant gains on specific issues, such as the budget deficit, social security or Mr Reagan's age. Page 7

Economics Nobel

British economist Sir Richard Stone, 71, a former assistant to John Maynard Keynes, won the 1984 Nobel prize for economies for work in developing accounting systems to keep track of national economies. Profile, Page 20

Award for Gromyko

Veteran Soviet Foreign Minister Andrei Gromyko was awarded his seventh Order of Lenin, the country's top decoration, by President Konstantin Chernenko.

Greens expelled

Two members of the West German Greens party were ejected from the Bundestag after one suggested that Chancellor Helmut Kohl had accepted bribes and the other directed an obscene insult at the deputy speaker.

Shipbuilders strike

Basque shipyard workers, supported by regional road and rail transport unions, held a one-day strike in the second week of protest against planned layoffs in Spain's shipbuilding industry. Background, Page 3

Iranians 'repulsed'

Iraq said it repulsed an Iranian attack in the central sector of the Gulf war, inflicting heavy casualties, but observers expected Iran to launch a long-awaited offensive further south, where large-scale troop movements have been reported.

Beagle protocol

Argentina and Chile moved towards an end to their century-old dispute over the Beagle Channel by signing a Vatican-mediated protocol saying they had agreed the text of a treaty. Page 7. Meanwhile riot police came on to the pitch to quell a brawl after an Argentine football team beat a Chilean side 1-0 in the Merlion Cup in Singapore.

Booker Prize won

The £15,000 ($17,850) Booker Prize, Britain's most valuable literary award, has been won by art historian Anita Brookner, 46, for her novel Hotel Du Lac.

Schoolboys seized

Czechoslovak guards fired warning shots at a group of Austrian schoolboys and seized 10 of them when they strayed over the border. The boys were released after four hours.

Milan airport strike

Air traffic controllers at Milan's Linate airport plan a 12-hour strike from 8 am today over staff shortages.

Wordpower

Japanese shipbuilding company Hitachi Zosen is testing a voice-controlled steering system for ships, using a voice-recognition microchip.

BUSINESS

Wall Street jumps 29.49

WALL STREET: Dow Jones industrial average closed 29.49 up at 1,225.38. Section III

STERLING weakened in London to another all-time closing low of $1.1875, a fall of 1.3 cents. It also dropped to DM 3.705 (DM 3.745), FFr 11.34 (FFr 11.4525), SwFr 3.03 (SwFr 3.07) and Y295.5 (Y298.75). Its trade-weighted index was down 0.9 at 74.3. In New York it closed at $1.186. Page 43

DOLLAR showed mixed changes in London, finishing slightly higher at DM 3.122 (DM 3.121) and FFr 9.5525 (FFr 9.545). It was unchanged at SwFr 2.5535 and eased to Y248.95 (Y249.1). Its trade-weighted index rose to 143.8 from 143.7. In New York it closed at DM 3.0975, FFr 9.4890, SwFr 2.5385 and Y248.35. Page 43

TOKYO blue chips were neglected but the Nikkei-Dow market average managed a 17-point rise to 10,750.87. Section III

LONDON equities curbed their slide but the FT Industrial Ordinary index was still 4.2 lower at 834.5. Section III

FRANKFURT bourse drew buyers for shares and government bonds. The Commerzbank index added 5.8 to 1,082.2. Section III

GOLD was unchanged on the London bullion market at $340.25. It was slightly lower in Frankfurt at $339.75 and in Zurich at $340. In New York the Comex October settlement was $340.60. Page 42

U.S. MONEY SUPPLY: M1 fell $2.9bn to $545.6bn in the week ended October 8.

APPLE, U.S. personal computer manufacturer, increased its earnings sixfold in the fourth quarter to $30.8m, compared with $5.1m in the corresponding 1983 period, but still finished the year with lower net profits of $54.1m against $76.7m. Page 21

KRUPP and KLÖCKNER, two leading German steel producers, are about to finalise negotiations aimed at merging their steel interests, according to reports in the industry. The companies declined to confirm or deny speculation, but informed steel industry experts believe a deal might be struck before the end of the month.

LLOYDS BANK of the UK is to unify its worldwide operations by merging Lloyds Bank International into the group. Page 21, Details, Page 25

CHUBB & SON, Britain's largest security group, succumbed to a £170m ($200m) takeover bid from Racal Electronics, UK defence and communications company. Page 21

CHINA plans to spend 80bn yuan ($30bn) on modernising its telephone system over the next five years. Page 4

DOW CHEMICALS continued its rapid profits recovery with third-quarter net income rising 76 per cent to $176m. Page 21

RENAULT, French state-owned car group, is in talks with three Japanese components companies – all linked to Toyota – on possible supply deals, joint ventures or exchanges of knowhow. Page 20

GRIEVESON, GRANT, one of London's largest stockbroking firms, said planned changes in Britain's financial markets might lead to a price war and excessive playing of the market by primary dealers in UK government securities. Page 20; Conference report, Page 12

We apologise for an abnormal number of misprints in this edition because of industrial action by members of the National Graphical Association in the London proof-reading department.

BANKERS TERM DECISION 'ARBITRARY'

Eurobonds may be cancelled after U.S. tax ruling

BY PETER MONTAGNON AND MARY ANN SIEGHART IN LONDON

A BITTER row about U.S. taxation policy has broken out in the Eurobond market less than a week before the U.S. Treasury is scheduled to launch a special $2bn series of securities aimed at European investors.

In a ruling descibed by senior Eurobond bankers as arbitrary, the U.S. Treasury has imposed a 30 per cent withholding tax on about ten issues of bonds completed by a range of prestigious U.S. corporations in the period June 22 to July 18.

If unrevoked, the ruling means that the issues affected which include bonds from names such as McDonalds, the fast food chain, Beatrice Foods, Sears Roebuck and General Electric may have to be cancelled as the cost of withholding tax would make the borrowing prohibitively expensive.

But bankers said the ruling had already soured the atmosphere for next week's Treasury issue in Europe. "Europeans will be 10 or 20 times more cautious in dealing with U.S. Treasury securities," said Mr Hans-Joerg Rudloff, deputy chairman of Credit Suisse First Boston, a leading Eurobond house.

Other bankers went further, saying that the Treasury issue was "dead" as a result of the ruling. "It shows the U.S. cannot handle their own affairs," a banker said.

Bankers and the companies involved were seeking urgent clarification of the ruling yesterday in a effort to have it changed. The imposition of withholding tax covers a period of transition last summer when the U.S. was in the process of lifting the tax on bonds sold abroad.

"It goes far beyond what people thought the rules were," said Mr Leslie Samuels, partner in the international law firm of Cleary, Gottlieb, Steen and Hamilton. At the time the bonds were launched bankers claim to have had assurances that they would not be subject to withholding tax.

Even senior U.S. Treasury officials were shaken by the issue, claiming that the ruling by the Internal Revenue Service had been made without proper consultation with policymaking tax experts.

One official said the timing of the ruling was "unfortunate," agreeing that it could upset a next week's Treasury issue.

Many investment houses are under strong political pressure to support the issue, which is the first such offering the U.S. has made abroad. However, some, particularly Swiss banks, have been lukewarm about a Treasury certification requirement that the bonds are not being sold on to U.S. citizens.

● Italy is likely to begin to levy taxes on income from future issues of state securities held by businesses, Treasury Minister Sig Giovanni Goria said last night in Milan, AP-DJ reports. Individuals holding the bearer securities would continue to be exempt from tax.

Lex, Page 20; Eurobonds, Page 44

Oil price war starts as Nigeria undercuts UK

BY DOMINIC LAWSON AND PATTI WALDMEIR IN LONDON

NIGERIA last night cut the price of its premium Bonny light crude by $2 a barrel, taking it below the $28.65 fixed less than 48 hours earlier by the British National Oil Corporation for comparable North Sea oil.

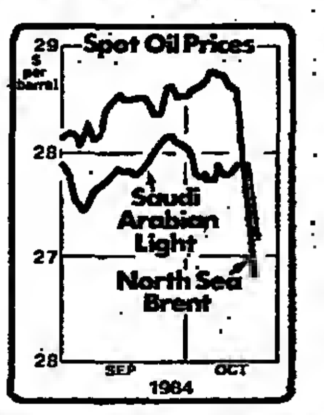
The move, made by a country which has recently been a loyal observer of pricing policies advocated by the Organisation of Petroleum Exporting Countries (Opec) marking the start of a price war between the oil-producing nations.

Nigeria's decision was officially announced in Lagos soon after Opec had said there would be a meeting of Opec ministers in Geneva on October 29.

Mr Tam David-West, Nigerian Oil Minister, said Nigeria had no choice but to cut its prices after Wednesday's decision by BNOC to cut $1.35 a barrel off most of its oil prices.

Replying to questioos, the minister said Nigeria had contacted Sheikh Ahmed Zaki Yamani, Saudi Arabian oil minister, and other Opec members on Wednesday to inform them that Nigeria was considering such a cut, but that no details bad yet beeo communicated to Opec.

Mr David-West, who has frequently emphasised Nigeria's solidarity with Opec since taking over as Oil Minister after the military coup that President Shehu Shagari, said that while Nigeria was prepared to honour its commitments to Opec and did not wish to provoke a price-cutting war "in a market as highly competitive as this, failure to take



appropriate action will immediately lead to us losing our customers."

Nigeria had avoided taking precipitate action up to this point, "but there is a limit to such sacrifice."

Nigeria's economy has been severely affected by a drop in oil revenues in the past two years, and production has recently failed to reach the goal of 1.6m barrels a day (b/d) set by Nigeria because of weakness in demand. Nigeria's peak oil production was 2.4m b/d.

The minister said that Nigeria and Britain had operated what he called a "hot line" to inform each other of decisions on oil pricing policy, and that Nigeria had been informed of BNOC's price reduction on Wednesday. Nigeria had in turn communicated its own decision, taken by the leaders of the country's military government, to Mr Peter Walker, Britain's Energy Minister, last night.

The new prices of the other grades of Nigerian crude are as follows: Forcados blend drops to $27.50 from $28; Brass blend down to $28; Pennington light to $27.90; Escravos light to $27.90; and Qua Iboe light to $27.95. Bonny medium has been cut by only $1 to $27.

Nigeria's move is likely to lead to similar price cuts by its competing African Opec producers, Algeria and Libya.

Mexico, the Soviet Union and Egypt, which are outside Opec, are thought to be the countries most likely to respond with similar cuts in their own official prices.

Last night's developments came at the end of a day in which prices on world oil spot markets fell sharply. A November shipment of Brent oil from the North Sea was said to have been traded at $28 a barrel – much below the new official BNOC price.

Announcing the proposed meeting of Opec ministers in Geneva on October 29, the Opec secretariat warned that "any downward spiral in oil prices would have far-reaching and adverse effects on the world economy."

It appeared that the Geneva meeting would seek to resolve the crisis by temporarily reducing the Opec production ceiling of 17.5m barrels a day, but any such plan may now have to be reviewed in the light of Nigeria's price cuts.

The fall in spot prices were sparked mainly by fears of what Nigeria and other national oil producers might do.

Commodities, Page 42; Lex, Page 20

£ falls again, putting rates under pressure

BY PHILIP STEPHENS IN LONDON

STERLING SUFFERED another day of heavy losses against other leading currencies yesterday, falling at one stage to its lowest level ever amid concern over oil prices and the UK miners' strike.

The pound's fall fuelled speculation that base lending rates might have to rise if the slide continued, although London's financial markets recovered partly as sterling gained some respite from a temporary weakening of the dollar.

Money market interest rates, which surged in early trading, fell back slightly towards the end of the day but were still at levels which would imply a rise in base rates.

Sterling, hit by fears of a round of oil-price cutting and the possibility of a total shutdown of the British coalfileds, lost ground against all other currencies.

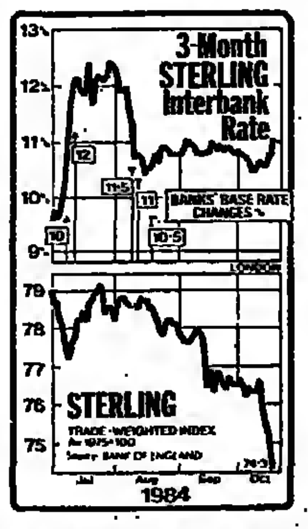
The sterling index closed in London at 74.3, down 0.9 from Wednesday. Earlier it had matched the record low of 74.2 last seen during the sterling crisis of 1976.

The pound fell by 1.3 cents against the dollar, to $1.1875 and by 4 pfennigs against the D-Mark, to 3.7050.

Foreign exchange dealers forecast that the currency would remain vulnerable to further weakness, partly because of the apparent reluctance of the authorities to increase interest rates to defend it.

The Bank of England gave no clue yesterday to its intentions, but has emphasised in recent weeks that the domestic monetary outlook points to a fall rather than a rise in base rates.

Mr Nigel Lawson, Chancellor of the Exchequer, also gave no indication in his speech last night that the Government would raise rates in response to sterling's slump.



Figures published by the Bank of England yesterday show that sterling M3, the most closely watched guide to the money supply, has grown by an annual 10.1 per cent since February. But the authorities are confident it will soon fall back to within its 6 to 10 per cent target range.

The UK Government may therefore hope that if it can ride out the present storm financial markets may bounce back. The leading banks also seem unlikely to push for an immediate rise in base rates while the markets are so volatile.

On foreign exchange markets, the dollar closed in London at DM3.1220, up fractionally from Wednesday, after rumours – later

Continued on Page 20

Lex: UK Chancellor's speech, Page 20; Market reports, Section III; Money markets, Page 43

Britain blocks cheaper U.S. air fares

By Michael Donne, Aerospace Correspondent, in London

THE BRITISH Government has blocked plans by leading UK and U.S. airlines for cheaper TransAtlantic fares this winter because of the possibility that cut-price fares might violate U.S. anti-trust legislation.

The UK Department of Transport had asked for an assurance that, if it approved the proposed cheap rates, British airlines would not find themselves subject to anti-trust action io U.S. courts. No such assurance was given, or seems likely.

British Airways, British Caledonian, Pan American and Trans World were seeking approval for cut-price rates to take effect from November 1.

The Government's move follows the U.S. Justice Department's current suit against British Airways (BA) and British Caledonian for alleged anti-trust violations leading to the collapse of Laker Airways, the UK low-price airline, in 1982.

It also appears to have been prompted by the possibility that Mr Richard Branson, chairman of Virgin Atlantic, the budget UK airline, might have sought recourse to the U.S. courts to block the fares proposals of his rivals.

The U.S. State Department said yesterday that it had been asked for its views on the fares by the British Government and that it was preparing a response.

BA orginally sought a cheap winter return rate betweeo Londoo and New York of £259 ($310), well below the existing "standby" rate of £278 return. Pan Am and TWA matched BA's rate.

Virgin Atlantic objected that the rate was "predatory" (below cost), being only £1 higher than its own planned winter rate of £258 return.

The Justice Departmeot is iovestigating allegations that predatory pricing by the British airlines drove Laker off the transatlantic route.

The UK Government argued that such a fares policy was legal under the Anglo-U.S. Bermuda Two air agreement but that did not prevent the Justice Department from pursuing its investigation.

Mr Branson has never specifically indicated an intention of going to the U.S. courts. Last night he said that, if the Government's action was in recognition of the fact that his rivals' proposals were predatory, he welcomed it. If it was "a political move" designed to stop his airline applyiog to the U.S. courts for an anti-trust action, he was "obviously disturbed."

Spain may face EEC fishing ban after joining Community

BY QUENTIN PEEL IN BRUSSELS

THE FIVE leading fishing nations of tha European Community are backing a tough plan that would effectively exclude Spain from EEC fishing waters for at least eight, and possibly 15 years after it is supposed to join the Community in 1986.

The proposal would amount to the extended postponement of any integration of Spain into the EEC in one important area of common interest and, if it gains the support of other member states, might set a precedent for other difficult areas of the negotiations for Spanish accession currently under way.

Several EEC members have serious reservations about the fishing plan, however, in spite of its support by Britain, France, West Germany, Denmark and Ireland.

The proposal, which emerged from a high-level meeting of national fishery officials in Brussels this week, would involve fixing a largely theoretical delay of 10 years before Spain can join the existing Common Fisheries Policy (CFP). The transition period would then be open to renegotiation after the first eight years.

The deal would include both carrot and stick: if the renegotiation succeeded, Spain would gain fishing access to EEC waters before the end of the 10-year period. If it failed, however, the plan would provide for the transition period to be extended to 15 years, coinciding with the full life of the CFP to the end of the year 2000.

The proposal, drawn up by national officials in Brussels this week, after failure earlier to agree on a European Commission plan for negotiated licensing agreements, appears to be no less restrictive to the Spanish fleet than the earlier deal rejected by Spain in May.

Then, a plan for a renewable 10-year transition period was ruled out by Madrid as "utterly unacceptable."

The latest proposal is still opposed by several member states, with the Netherlands in particular arguing that it is unreasonably harsh towards the Spanish fishing industry. A Dutch official has proposed a shorter transition period of nine years, after which a new CFP structure integrating the Spanish fleet would be negotiated.

No final proposal is likely to be agreed before next week, when the next round of negotiations between the EEC members, Spain and Portugal are to take place. Agreement of the five main fishing nations is the best achieved for any proposal to date, but if a qualified majority in favour cannot be achieved, then Britain and Ireland are both prepared to fall back on the Commission's licensing plan.

The fear of the EEC states is that the huge Spanish fleet, some 17,000 strong and likely to total 70 per cent of the EEC total, would simply force the existing fleets out of business and depleta EEC fishing grounds.

The only way the Commission can sugar the pill is to offer grants to Spanish fishermen to leave the industry.

The Commission this week approved spending of Ecu 28.5m ($20m) from the 1985 budget as pre-accessioo aid to be spent on restructuring the Spanish fleet.

CONTENTS

EUROPEAN NEWS

France to tap state sector for extra budget finance

BY PAUL BETTS IN PARIS

THE French Socialist Government is to ask profitable state industrial groups to contribute extra funds to help finance shortfalls in the 1985 budget.

These companies were already due to contribute FFr 2bn (£174m) in dividends to the state. Now the Government wants them to pay FFr 900m more on this year's earnings.

This follows the Government's decision to drop taxes on local authorities which would have contributed FFr 3bn to next year's budget. The Government withdrew the tax because of intense opposition from deputies, including members of its own Socialist Party.

To compensate for shortfall, the Government has resorted to a series of measures, including higher taxes on heavy fuels, extending the 1 per cent special social security levy on certain revenues and, most spectacularly, increasing the dividend payments of state industries.

It is also considering a special levy on domestic oil and gas production. This would raise FFr 1bn and mainly hit the state Elf-Aquitaine oil group, which would be likely to contribute about FFr 800m. Elf is the largest domestic producer as a result of its large Lacq gas field in the southwest.

The other main target would be Esso, the French subsidiary of the U.S. Exxon group, which is the largest crude oil producer in France.

The proposal to increase the dividend payments of state groups would involve, among others, the CEG electronics group, Rhone Poulenc, the nationalised chemicals company, and Pechiney, the aluminium group, both of which have returned to profits, Saint-Gobain, and, inevitably, Elf-Aquitaine.

The idea is likely to cause consternation in the state sector. Indeed, second half results for many of them could well be lower because of the slowdown in their respective sectors or, as in the case of Elf, the recent decline in oil prices.

Feature, Page 18

W. Germany pays dearly to cut sulphur pollution

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY, which is becoming increasingly sensitive about environmental protection, is investing heavily to cut sulphur emissions from coal-fired power stations.

Engineering contractors stand to gain lucrative orders over the next few years as power station operators comply with stringent anti-pollution regulations brought in by the Federal Government last year.

In major deals just finalised, Deutsche Babcock has pulled in new orders for desulphurisation plans for Steag and RWE, two large energy undertakings. It will supply plants for four Steag power stations with an option on a further one as well as providing a plant for a new RWE power station.

Although Babcock declined to disclose the value of the orders they are estimated in the industry to be worth about DM 500m (£134m).

Electricity undertakings in West Germany are expected to spend between DM 10bn and DM 15bn on desulphurisation plans for power stations over the next four years.

The publicly-owned power 80 per cent of the country's station operators, which meet electricity needs, have decided to equip most of their coal-fired power stations with desulphurisation plants by 1988 and to close down the others by 1993.

The project has one big drawback — the cost of anti-pollution equipment is expected to put up the price of electricity especially in heavily industrialised areas using a lot of coal in power stations.

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East bloc renews troop offer

By Patrick Blum in Vienna

THE Warsaw Pact renewed its offer yesterday for a preliminary withdrawal of one contingent each of U.S. and Soviet troops from Central Europe as a first step to help unlock the Vienna negotiations on reducing conventional forces in Europe.

Herr Andre Wieland, head of the East German delegation, said at the plenary meeting of the talks, that "consent by the West to taking such a step would signal a major readiness to achieve results in Vienna." This would involve the withdrawal of 13,000 U.S. and 20,000 Soviet troops.

The idea was first mooted by the Warsaw Pact in February last year. This also outlined follow-up measures, including the freezing of forces on both sides before a final agreement could be signed.

North Sea fish quota talks start with Norway

By Fleming Dahl in Oslo

NORWAY AND the European Community began negotiations here yesterday on North Sea fishing quotas, with herring expected to be the most difficult category.

Norwegian Fishery Ministry officials said it was unlikely that any agreement would be reached in Oslo this week. But they were optimistic about reaching accord on the quotas at further talks expected to be held in Brussels on Thursday and Friday of next week.

Last year, the International Council for Exploration of the Seas (ICES) advised that total quotas of about 95,000 tonnes of herring be distributed to the EEC and Norway this year, but the parties were unable to reach agreement and this year's herring fishing is taking place without quotas being distributed.

For next year, the ICES has advised that between 166,000 and 250,000 tonnes of herring quotas be shared between the two.

Outline accord reached on reviving WEU

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

SENIOR OFFICIALS from the seven countries of the Western European Union have reached broad agreement on ways of reviving the organisation as a forum for strengthening European defence within Nato.

Their recommendations, which include an enhanced role for the ministerial council and for the indirectly elected parliamentary assembly, are expected to be adopted by the foreign and defence ministers of the WEU when they meet in Rome next week to mark the organisation's 30th anniversary.

The working group of senior officials was set up by an extra-ordinary meeting of WEU foreign ministers held in Paris last June. The ministers then decided in principle that the WEU should be relaunched, but asked officials to recommend how.

Their officials' report, the result of a series of meeting in London which were concluded this week, is believed to recommend that WEU foreign ministers should meet at least twice a year while the permanent council in London should meet at least once a month at ambassadorial level. The officials are also believed to suggest that the role of the assembly could be strengthened, while, more controversially, they have discussed expanding the functions of the committees of the WEU which deal with arms control and with armaments co-operation.

It seems clear that the discussions of both ministers and ambassadors would be expected to cover a wide range of European defence and security matters, from perceptions of the Soviet threat to relations with the U.S.

The WEU was founded in 1948 by Britain, France and the Benelux countries, and was expanded in 1954 to include West Germany and Italy. Through moribund for much of the past 30 years, it actually binds its members more tightly than Nato to their common defence, and is the only organisation specifically charged to deal with European defence matters.

ITALY's Defence Minister, Sig Giovanni Spadolini, has outlined three aims for next week's WEU meeting in Rome, writes James Buxton. Welcoming the meeting, he said a revived WEU should:

- Conceive a European defence policy which, without weakening Nato, would help offset the "Atlantic imbalance" in the alliance caused by the preponderance of the U.S.
- Make a joint effort to co-operate in research on "emerging technologies" in defence to reduce the present gap between the U.S. and Europe.
- Raise the nuclear threshold by strengthening conventional forces so that they become a credible deterrent to the Warsaw Pact countries.

Its foreign ministers agreed in general terms in June—and can be expected to reiterate in Rome—that European states must take measures to strengthen their own defence within the Nato alliance. Whatever their differences on detail, the ministers obviously see the WEU as a useful tool to this end.

However, the revival of the WEU will be undertaken cautiously. Ministers insist that it is not, and should not be seen as anti-American or anti-Nato. They are also concerned not to offend the smaller European Nato nations who are not members.

Officials suggest that there has been some narrowing of differences over the past few months, and that Britain, in particlar, is keener to revive the WEU than seemed likely earlier this year.

However, divergent approaches remain, particularly over what should happen to the WEU's Arms Control Agency, originally set up to control German post-war disarmament, and the Standing Armaments Committee, whose function was to encourage collaborative arms production.

Britain and the Netherlands want to see all arms co-operation channeled through the Independent European Programme Group or the Eurogroup, which are effectively Nato bodies. They do not appear particularly receptive to suggestions from other members that the Arms Control Agency should now be used to help formulate European positions on the wider range of arms control issues.

There are also differences apparently on how far defence ministers, as opposed to foreign ministers, should be involved institutionally in the WEU revival.

Commission prescribes how rebates are to be spent

BY QUENTIN PEEL IN BRUSSELS

THE EUROPENA Commission yesterday announced its formal aproval for the release of some Ecu 1.2bn (£720m) in long-overdue budget refunds for Britain and West Germany, and spelt out a list of more than 50 transport, energy and job creation projects on which the money is to be spent.

Some 90 per cent of the money is to be paid within the next few days, following the decision by the European Parliament last week to unblock it, and now that the confirming signature has been given by the three European Commissioners concerned.

The British share of some Ecu 990m (£587m) will go on 25 different transport porjects, 14 energy schemes, and a variety of employment programmes.

The biggest single share is of more than £90m as a contribution towards the cost of London's M25 orbital motorway. A further £43.8m will go towards roadworks on the A5/55 in Wales at Hawarden, Colwyn and Bangor, while other important transport schemes include £22.2m on railway signalling systems at East Croydon and Balham, £20.5m on the M3 motorway between Popham and Bar End, and £10.8m on the M5 at Tiverton.

The energy schemes include £41.1m on a cross-Channel electricity link to connect the British and French electricity grids; £41.7m on the Drax coal-fired power station; and £33.4m on the Heysham II nuclear power station.

The special employment measures to be financed by the budget rebate will absorb some £163m towards the job release scheme in Britain and Northern Ireland, which offers additional job opportunities for the unemployed by subsidising the early retirement of older workers.

All the projects were submitted by the UK and West German Governments to comply with the stipulations of the European Parliament that the budget rebates should be tied to specific projects in those three areas of concern, and were approved by a committee of member states in July.

The remaining 10 per cent of the rebate will only be paid once spot checks have been carried out by the Commission to ensure that the projects all comply with the regulations.

In overall budgetary terms, the net return to Britain amounts to only Ecu 750m (£450m), once Britain's own contribution to the payments has been deducted.

EEC enlargement high on Craxi agenda in London

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE FUTURE development of the European Community, particularly its enlargement and bilateral industrial co-operation projects in the field of aircraft production and telecommunications are among the most important issnes due to be discussed at the two-day Anglo-Italian summit which began in London yesterday.

Mrs Margaret Thatcher, the Prime Minister, who had her first tet-a-tete meeting with Sig Bettino Craxi, the Italian Premier, last night is anxious to hear from her visitor how Italy, which takes over the presidency of the EEC for six months at the beginning of next year, intends to organise the Community's work programme.

Now that the immediate issue of Britain's budgetary rebate is out of the way, the UK Government is anxious to exploit the resulting improvement in relations with its partners by giving a new impetus to policies which have tended to be frozen while the budget debate went on.

Sir Geoffrey Howe, the Foreign Secretary, who will be participating in the talks together with his Italian opposite number, Sig Giulio Andreotti, made clear what the British priorities were in a speech in Bonn on Wednesday night.

Apart from the ever-present problem of reducing the proportion of Community funds spent on agriculture and reforming the EEC's finances as a whole, the British Government is anxious to break down the barriers—most of them of a non-tariff type—which will prevent the creation of a genuine common market in goods and services.

Not least, Mrs Thatcher and Sir Geoffrey will try to impress upon their Italian visitors the urgent need to speed up the negotiations for the entry on Spain and Portugal into the Community. The Italians have the same political objective as their EEC partners to complete these negotiations by the end of the year, thus allowing the two applicants to join on January 1, 1986.

However, Italy's special interest in safeguarding its market for Mediterranean produce such as wine and olive oil is one of the main obstacles still blocking an agreement with Spain.

On the bilateral front, the Italians appear to be particularly anxious to extend their industrial and military co-operation with Britain to offset what they consider to be the growing threat of Franco-German co-operation.

U.S. boom casts mixed blessings on Europe

By Jonathan Carr in Frankfurt

"THE WORLD should be tremendously grateful to the U.S. for running such a huge trade deficit," said Mr Rimmer de Vries, of New York, senior vice president of Morgan Guaranty Trust, with more than a hint of challenge in his voice.

He need not have worried. No one in his audience of (mainly European) businessmen, monetary officials and academics at a Frankfurt conference this week, actually proposed a toast of thanks to President Ronald Reagan.

But most of them were well aware of the value of the booming U.S. economy as a "trade locomotive." To those who were not, Mr de Vries, brandishing a sheaf of tables and charts, gave it to them straight.

Japanese exports to the U.S. in January-August were up by 45 per cent, he noted, Italian exports by 46 per cent, French by 40 per cent and West German by 36 per cent. Mr de Vries could not resist a curl of the lip over the Deutsche Bundesbank's satisfaction that West Germany's current account was "in equilibrium." So it should be, Mr de Vries opined, with that export boom to the U.S. and a massive drop in the D-Mark against both dollar and yen.

One European participant cautiously proposed that the U.S. boom was imposing an excessive interest rate burden on the deeply indebted developing world. But Mr de Vries indicated that what the debtor countries lost on the interest rate swings they gained on the trade roundabout. Already this year the U.S. had run up a trade deficit of well over $50bn with the developing countries.

Mexico and Venezuela, in any case, would easily cover the interest payments on their debt this year with the surplus on their trade in goods and non-interest services. Brazil would come close to doing so and Nigeria was not far behind.

Protectionism

It took another U.S. participant, Mr Robert Lawrence, Senior Fellow of the Brookings Institute, to sound a warning. "Rimmer has given you a lot of the good news," he said wryly—and proceeded to offer the bad.

For one thing there had never been a U.S. President more in favour of free trade than Ronald Reagan—and yet there were already clear signs of creeping U.S. protectionism. What would it be like when the trade deficit soared higher still.

Moreover, Mr Lawrence stressed, the U.S. had to "programme" a cut in the federal budget over a specific number of years—and do it right away. If it did not, it could be forced to deal with the deficit after the economy had already entered the next recession.

How well were the Europeans prepared for a future at least characterised by a marked slackening of U.S. demand, if not necessarily by the "bumpy landing" for the U.S. economy and its currency which pessimists foresaw? Not at all well—if the comments by both U.S. and European participants at the gathering are anything to go by.

Several speakers, notably Professor Niels Thygesen of Copenhagen University, stressed that there had been almost no contingency planning by the Europeans for a U.S. slowdown. The accent remained firmly on fiscal restraint — excessively so in some cases.

That applied above all to West Germany, where inflation was down to 1.5 per cent at an annual rate and proposed moves for tax handouts looked too timid and too late. "Since West Germany is by far the most important economy in Europe, her fiscal caution must be a particular source of concern," Professor Thygesen said.

Competitiveness

Participants voiced longer-term concern about Europe's economic prospects, too. The conference, organised by the Brussels-based Centre for European Policy Studies (CEPS), had been called above all to examine U.S. and European competitiveness.

Inevitably much debate centred on immediate issues like the U.S. trade deficit and interest rates. But there was talk, too, of "Eurosclerosis" — inability to adapt to the challenges from the U.S. and the Far East.

To dismal nods, a European economist told a friend who had a new invention on the U.S. market with official approval in a few weeks at a cost of $2,000—but who found that in Europe approval would take more than a year, with costs of more than $200,000.

The economist pointed out that while $200,000 was not a lot to IBM, Siemens or Philips, it was a huge hurdle to those young entrepreneurs in the "high tech" field on which Europe's economic future greatly depended.

A senior representative of Philips hastily stressed that $200,000 was a lot to his company, too. What particularly bothered him was international currency fluctuation which made investment decisions hair-raising.

David White, recently in El Ferrol, reports on a bitter restructuring battle

Spanish shipyard resists that sinking feeling

EL FERROL, on the weather-beaten Northwestern corner of Spain, is famous for two things: General Franco, the late dictator, who was born there, and ships.

At the Astano shipyard, just outside the town, sections of a 148,000-tonne bulk carrier lie waiting to be assembled. The bridge section, put together like a giant toy, is already complete, down to the last detail you would expect to find on a ship: a billiard-table.

But nobody is working on the vessel. The huge gantry crane, visible to anyone entering the town and symbol of the Astano company, stands idle. Groups of workers stroll with their sandwiches between the pieces of a ship. No 265, that is destined never to be built.

No 264 was never begun and No 263, which was delivered to her owner in July last year, will be the last ship constructed in Astano under the plans put forward by INI, the Spanish state industrial group.

The plans, approved by a Government commission in Madrid, will cut Spain's big state shipyards from five to three and remove 17,000 out of 40,000 jobs from the industry.

The cuts are among the most drastic in the restructuring of European shipbuilding, and have been provoking violent protests all along Spain's Northern coast. At El Ferrol, where Astano is set to lose more than 3,400 jobs, 60 per cent of its workforce, they spell disaster.

The town of 90,000 people, previously called El Ferrol del Caudillo in Franco's honour before the Socialists and Communists won control of the council and changed the name, is almost entirely dependent on the Bazan naval base and the shipyard for jobs. Bazan employs 6,000.

The shipbuilding business goes back to the 18th century. Astano, built up with private capital by the Corunna-based Pastor banking group in the early Franco years, specialised from the 1960s in the construction of supertankers of up to 350,000 tonnes.

At one stage, on the strength of its order book from Gulf and Texaco, it was employing 9,000 people including casuals. More recently, it had pinned hopes on a new methane-carrier, which it pioneered.

Astano and the shipyard at Puerto Real, near Cadiz, which was being built just as the 1973 oil crisis struck, are the only facilities in Spain with large-ship capacity.

Under the plan, El Ferrol will keep only its industrial section, devoted these days to activities such as heavy machinery repairs. This section occupies the original shipyard site and the current shipbuilding area, developed on reclaimed land, will be shut down.

The Left-wing unions, whose trade union tradition dates from the days when English workers were bired for the naval yards, are determined to fight the closure.

The Communist union, Comisiones Obreras, has struck up an alliance with the radical Galician regionalist labour organisation, the INTG, and a broad platform has been formed including the conservatives, who hold power in the Galician regional government, and far-left local nationalists to fight the plan.

> Some Spanish trade unions believe the Socialist Government has a political motive in the way it plans to restructure the country's once proud shipbuilding industry. They have pledged to try to overturn Madrid's plan to cut a substantial number of jobs and to concentrate the cuts in areas where the party's vote may not be too badly affected, and where regional unrest is less likely to occur.

The Socialist union, the UGT, outweighed among non-administrative workers by its Communist rival and vilified for supporting the Madrid Government, has also come out against the plan, arguing for an eventual return to ship construction after an interim period when the company will devote itself to other activities such as building submersible platforms.

Schemes to mop up jobs through state-backed engineering ventures appear unlikely to dispel the anger. INTG leaders are already planning a one-day general strike next month aimed at paralysing the whole of Galicia. The protest movement has built up over more than a year, ever since Astano and three of the smaller shipyards at Vigo in the same region saw their future openly threatened.

Since 1978, when Spain belatedly began thinking about restructuring its shipyards, Astano has been losing between £20m and £30m a year. No work has been done at the yard since July, and 4,000 employees are currently laid off.

Astano's defenders argue however that when it was producing it was one of Spain's most efficient shipyards. The same argument about relative efficiency is used about the other big facility due to be sacrificed — Bilbao Olaveaga yard—but there, the reasons for the choice are more patent: it is ancient and absurdly located right in the city.

In the case of Astano, unions and the regional government see the decision as a purely political one, penalising the remote Galicians in order to propitiate the troublesome Basques and preserve Socialist support in the far South.

At the same time, they contend that Madrid is over-reacting to the shipbuilding crisis and that Spain, which in the early 1970s was in the top rank of shipbuilding countries, should maintain capacity so as not to leave the benefits of a market recovery to the Japanese and South Koreans.

The third and final stage of negotiations on restructuring—now narrowed down to plans for each individual yard—promises to be bitter. Details of the proposals were put to works committees last week. Another three weeks are left for talks, after which the final plans go to the Madrid Government.

The climate at El Ferrol shows how the "reconversion" of problem industries is emerging not only as a major financial burden for the Spanish Administration but also as a serious aggravation of its regional dilemma. For the most forceful opposition to Socialist Government in Spain is to be found in the country's northern industrial regions, not in the Parliament in Madrid.

West German motor industry tries to recover strike losses

BY JOHN DAVIES IN FRANKFURT

CAR ASSEMBLY plants in West Germany are continuing to work in top gear, as they try to catch up on some of the production lost during the seven-week metalworkers' strike in May and June. But even so, output since the beginning of this year is lagging behind last year.

An average of 17,700 cars rolled off the assembly lines every working day last month, 5 per cent more than the daily output in September last year. The total of 353,900 cars produced was less than the 370,540 of September last year only because the month had two fewer working days.

In the first nine months of this year, West German plants have turned out 2.67m cars, 7.2 per cent fewer than a year ago. By contrast, production had been running ahead of last year until the labour conflict over shorter working hours crippled nearly all motor vehicle assembly in the country.

Car exports have been picking up again sturdily as manufacturers seek to take advantage of better markets abroad, especially in the U.S.

A total of 193,300 cars were exported last month, slightly more than in September last year and an increase of as much as 12 per cent per working day. But since the beginning of the year, car exports are still lagging 4 per cent at 1.52m.

Commercial vehicle output is still languishing in the face of weak markets abroad, although the Automobile Industry Association sees signs of a revival in domestic orders.

Only 181,700 trucks and other commercial vehicles have left the assembly lines so far this year, 11 per cent fewer than a year ago. Last month 23,600 were produced, compared with 24,600 in September last year. Exports of commercial vehicles so far this year are down 11 per cent on last year at 109,300.

The strike setback has come after three years of steady recovery in car output, which reached 3.88m last year — still below the 3.93m peak of 1979 and the second-best output of 3.89m in 1978.

Output of commercial vehicles has been falling steadily since 1980. It slipped below the 300,000 level last year, 18 per cent less than the 1980 peak production of 357,600.

Bismarck's star rises in the East

By Leslie Colitt in Berlin

Count Otto von Bismarck, the Iron Chancellor who united Germany in 1871, is staging a remarkable comeback in East Germany which, after 1945, expunged his name from the signs on hundreds of streets and squares.

His resurrection follows the recent rehabilitation of Martin Luther and the return of a statue of King Frederick the Great to East Berlin's Unter den Linden boulevard.

With the blessing of the Communist party, East German television is producing a three-part series in which the "iron and blood" Chancellor plays a central role.

Scheduled for showing next February, the series deals with Bismarck and his Socialist opponent, August Bebel, who helped create the Social Democratic Party.

The film was made possible because of the party's continuing review of German history with the aim of discovering "progressive" traits in previously maligned historical figures.

While Bismarck is still attacked for his anti-socialist laws, he is praised for his "realism" in cultivating ties with Tsarist Russia. This, in turn, was used by East Germany's top ideologist, Herr Kurt Hager, as an example for West Germany to follow.

East Germany's Communist leadership is prepared to overlook an inconsistency or two in its evaluation of Bismarck. Chief among them is that Karl Marx and Friedrich Engels bitterly attacked Bismarck's relationship with Tsarist Russia which they regarded as the most reactionary power in Europe.

Marx and Engels, however, were for unification of Germany, seeing it as a necessary step for the development of capitalism, and thus the inevitable triumph of socialism.

The makers of the TV film, however, were disappointed in their hope to film some sequences in France (Wilhelm I was crowned Emperor of Germany at Versailles), not for ideological reasons but because of a hard currency shortage.

One stumbling block possibly to be negotiated before the film can be released by the party is that Bismarck is portrayed as a very strong personality, while Bebel comes across as rather colourless.

In addition, neighbouring Poland is unlikely to be enamoured of the film, just as it winced when the statue of Frederick the Great, the co-partitioner of Poland, was returned to prominence in East Berlin.

Back-to-school chance for jobless Danes

By Hilary Barnes in Copenhagen

DANES WHO have been continuously unemployed for 18 months are to be offered the opportunity from 1986 to go back to school, to study any subject, for up to 18 months while still receiving full unemployment benefit. The Government expects about 10,000 people to be eligible for the scheme.

The proposal has created a political furore because those who fail to obtain a job after the study period will lose unemployment benefit and become eligible for welfare benefit—normally a smaller sum.

Ferment of apathy greets Australian poll

BY MICHAEL THOMPSON-NOEL AND CHRISTIAN TYLER IN WOLLONGONG, NEW SOUTH WALES

JOE GALVIN is an ex-sheep shearer and fruit-picker, who has travelled widely in the Australian outback, turning his hand to anything. When broke, he climbed in the ring and boxed for money. In his prime, you would have been silly to cross him.

Shearing, says Joe, was not only back-breaking, but "dirty, stinking work, handling snotty-nosed sheep." Now 68, he sits in The Crown and Anchor, a sombre little pub in Weston Creek, a suburb of Canberra, and discusses the general election that Australians face on December 1.

The election has been announced by the Australian Labor Party leader, Bob Hawke, who may be heading for a landslide.

"Hawke will win by a lot of seats," says Joe, who receives A$309 (£206) a week in various pensions—he was wounded at Benghazi in the last war.

The calling of an election 15 months early has thrown Australia into a ferment of apathy, for there are few real issues, apart from a continuing furore over organised crime.

A "costly and unnecessary election to suit his (Hawke's) political convenience," said the Canberra Times. The cynical view, said the paper, was that Mr Hawke wants to go to the country " while the economy is experiencing strong recovery and the opposition continues to flounder."

Joe is drinking beer with a brandy chaser. "Hawke's a lovely man," says Joe. "He's fixed Australia right up to the top. There's plenty of money and plenty of work. When that (bleep!) Fraser (Mr Malcolm Fraser, the former Liberal Prime Minister) went out, be had us right (bleep !). Hawke's done us mighty well. He's a messiah to the country."

At the Bonner Tavern, in Canberra, Syd Jackson is in exuberant form. He is an Aborigine — a former Aussie rules footballer, and thus a member of an elite, who now works in sports administration. He wears smart casual clothes, and is waving A$100 notes. The tavern is owned by the Aboriginal community.

Syd thinks Bob Hawke is miles ahead, and says the aborigines vote solidly Labor. If Mr Andrew Peacock, the Liberal Party leader, had any idea, he would be touring the outback, meeting people, according to Syd.

In Penrose, a tiny stopping place north of Canberra that is buried deep in rolling countryside, the general store, tea-room and Post Office are run by Albert and Jean Thompson.

Even in Penrose, they have heard of Mr Peacock's gibe (under parliamentary privilege) that Mr Hawke was a "little crook," an unsubstantiated allegation that shook Australia.

"I do not really know what the election's about," says Mrs Thompson, "But Hawke might get back in. I am not a Hawke supporter. He is sure, alright. He has got the gift of the gab. But Peacock has dug his own grave, hasn't he, saying that about Hawke. For a man in his position, he has got to be able to prove it. Mind you, I think Hawke . . . Politics is a dirty game."

Albert Thompson voted Labor 15 years ago, but now votes Liberal. "I think Hawke's a good Prime Minister, but half of them would be wiped out if the truth came out."

Where the Liberals more honest? "I would not say that. The just have not been found out so often."

In the South Pacific Hotel in Cringila, Port Kembla—a steel town south of Sydney — Jack Newlyn nurses a schooner of beer and describes his 26 years in the local steelworks.

"Hawke's trying to pull the country out of a mess," says Jack. Could Bob Hawke cure unemployment? "He could do something about it, given another three years. I'll vote for Hawke, because he deserves another try. If Fraser had been in, we'd have been in a worse (bleep) mess."

How about the pay and prices accord between the unions and Labor? "People have to accept the system. They'll mumble over their beer, but they have to accept it."

In nearby Wollongong, another steel town, Andy Gillespie, assistant secretary of the local branch of the Iron-workers' Union, claims that the election is a non-event. "Peacock has shot his credibility, so Labor will win by a landslide."

He says unemployment in Wollongong is 24 per cent. "Down here, you see a mine close every day. Somebody's going to have to give some essurances. The election issue will be unemployment and jobs. Two or three years ago, there was a mass exodus to Queensland, but people are coming back.

"There is pressure for wage increases on the shop floor. There's pressure on the pay accord, no doubt about that. When the volcano blows, it will really blow." Complaining about Mr Hawke's Right-wing stance, he says: "You know what they say: 75 per cent support Hawke, and the other 25 per cent are Labor Party members."

The most trenchant comment on the election was supplied by the gateman at the Tidbinbilla deep space tracking station south of Canberra. From the swivelling of the main telescope and the frantic posse of Government cars sweeping in and out of the gate, it was clear that something important was happening out in the galaxy. "The election?" said the gateman, astonished at the low gravity of the question. "It won't make a bit of difference, mate!"

THE HAWKE Labor Government in Australia continues to dominate the polls, and looks set for an easy win in the general election on December 1, Michael Thompson-Noel reports from Sydney.

The latest Morgan Gallup poll in The Bulletin magazine gives Labor 55 per cent, against 37 per cent for the Liberal-National coalition and 5 per cent for the Democrats. Labor has doubled its lead in just three weeks.

Mr Bob Hawke, enjoys an aproval rating of 69 per cent, against a record low of 20 per cent for Mr Andrew Peacock, leader of the Liberals.

Zimbabwe set for first payments surplus since 1970s

BY TONY HAWKINS IN HARARE

ZIMBABWE will in 1984 have its first overall balance of payments surplus since the mid-1970s, according to the Reserve Bank of Zimbabwe.

In its June quarterly economic bulletin published today, the central bank is significantly more optimistic about the country's external payments position than in previous editions.

But the bank says that the small anticipated surplus will be achieved only through continuing severe import and exchange control restrictions.

Nonetheless, this should still permit the central bank to reduce its short-term standby borrowings.

The bank remains gloomy about the immediate economic outlook, reporting that a sustained upturn in the economy is still "some way off."

The balance of payments will remain under pressure, it says, and a significant reduction in the inflation rate, currently averaging 17 per cent, is unlikely int be next year.

The central bank estimates that real Gross Domestic Product fell 4.4 per centin 1982 and a further 4 per cent last year.

Both of these are sharper falls than those estimated previously.

It predicts a decline of another 2 per cent in real output this yerar, despite improved productivity in both agriculture and mining.

Gains in the primary sector will be more than offset, the banks says by lower output in manufacturing, in the distribution sector, and as a result of a reduced level of public sector spending.

The central banks says Zimbabwe's current account payments deficit narrowed last year to Z$402m (£233m) from Z$532m (£426m) in 1982.

But net capital inflows slumped to £78m from £199m in 1982.

This left an overall payments deficit of £155m in 1983, but the bank says that this year, lower imports, higher exports and a lower outflow on invisibles account should transform this into a small surplus.

The 1983 deficit was financed by borrowings from the International Monetary Fund and short-term standby loans totalling £167b.

Iraq claims Iran attack crushed

By Roger Matthews, Middle East Editor

IRAQ CLAIMED yesterday to have crushed a three-pronged Iranian offensive on the border almost directly east of the capital Baghdad.

Iran confirmed the attack and said that it had been launched to secure hill-top positions and to silence Iraqi artillery which had been bombarding Iranian villages.

A military communiqué from Baghdad said that the attacking forces ran into defences of the Iraqi Second Army which "tore their troops to pieces, forced them to retreat and inflicted very heavy losses."

The Iranian attack, the first land offensive since it succeeded in partially capturing the Majnoon Islands further south in February, is likely to set the pattern for the next stage of the Gulf war.

This will probably take the form of relatively small-scale Iranian attacks along the central and northern parts of the border where because of the hilly and sometimes mountainous terrain Iraq's superiority in armour is elss effective.

The size and direction of yesterday's attack aso lends weight to the assumption that Iran bas al least temporarily dropped its plans for a massive "final" assault for which earlier this year it bad massed several hundred thousand men.

The Iranian attack, just to the north of the border town of Mehran, did not appear to have any major strategic objective, and may have been primarily aimed at demonstrating Tehran's determination to continue the conflict.

In the past week, Iraq reinforced its positions further to the south, close to its second largest city Basra.

Columns of armour were seen on the road and Iraqi commanders had said that they were prepared for another large Iranian offensive in the region.

Iran meanwhile claimed that it hsd beaten off an Iraqi attack north of its port city of Khorramsbahr. It claimed that the attacking force had been driven back by artillery fire before a counter-attack was launched which succeeded in taking many Iraqi prisoners.

Iran also announced yesterday that it would release 74 disabled Iraqi prisoners of war. It has previously repatriated nearly 100 men of the estimaled 50,000 which it holds. Iraq has returned nearly 400 Iranian prisoners of war.

Mubarak rules out Iran over Red Sea mines

PRESIDENT HOSNI MUBARAK of Egypt has ruled out Iran as perpetrator of recent explosions in the Red Sea and narrowed down Egyptian suspicions to Libya, according to an interview published yesterday.

President Mubarak also told the Kuwaiti newspaper Al-Siyassah that Libya will have to beer "cruel eonsequences" if it launches any new action undermining Egyptian security.

Cairo newspapers carried the text of the interview.

Explosions in the Red Sea and its north-western branch, the Suez Gulf, damaged at least 19 ships since July 9. Egypt initially said it suspected Libya and possibly Iran were responsible. Both denied this.

"All indications point to Libya," President Mubarak told Al-Siyassah, implying that Egypt had circumstancial evidence but still no solid proof.

AP

Lebanon troops and Druze clash

LEBANESE GOVERNMENT troops and Druze militiamen traded artillery barrages in the hills overlooking Beirut yesterday as Lebanon's political factions argued over methods to re-establish peaceful co-existence between the nation's Christians and Moslems.

Most of the overnight fighting raged around the strategic Dahr El-Wahsh hill that commands a vital stretch of the Beirut-Damascus bigbway

A police report broadcast by state and privately-owned Beirut radio stations said neither side advanced on the ground during the five-hour battles in the Aley and Souk El-Gharb Bluffs, 10 miles south-east of the capital. There also was no report of casulaties.

The flare-up, which was stilled by a pre-dawn ceasefire, came a day after Druze and Shi'ite Moslem leaders in Prime Minister Rashid Karami's National Coalition Government began a boycott of Cabinet meetings to press for political reforms.

AP

China plans to spend £25bn to modernise telecommunications

PEKING — China plans to spend yuan 80bn (£25bn) to bring its inadequate telecommunications system up to dete by the 1990, a government minister said yesterday.

Yang Taifang, the Post and Telecommunications Minister, was quoted by the official China Daily newspaper as saying the number of telephones in China would increase from just over 5m to more than 33m by the year 2,000.

Much of the advanced technology, Yang said, would be imported. He gave no details.

An important exhibition of telecommunication equipment will be held next month in Peking. Leaders of the industry including AEG Telefunken, BICC, CIT Alcatel and IBM will be represented.

Equipment on display will include radio systems, computers, network systems, fibre optical communications systems and microprocessors.

All the equipment has been specially requested by the Chinese for the exhibition.

This display follows closely on a smaller show also in the telecommunications field to be held in Peking at the end of October, and other exhibitions will be held in Shanghai and other Chinese cities later this year.

While contracts are not expected to be signed at the exhibitions, companies involved say the Chinese are showing keen interest.

Yang said the improvement scheme would be completed during the country's seventh five-year plan from 1986 to 1990.

One third of the financing for the scheme would be provided by the central government and two-thirds by provincial or local governments, collectives and individual businessmen.

The first stage of the development will increase the number of telephones in China to more than 10m by 1990.

● Hong Kong's Legislative Council yesterday endorsed a Chinese-British draft agreement that outlines the conditions under which Hong Kong becomes a Special Administrative Reginn of China after 1997.

The agreement stipulates China will regain sovereignty over Hong Kong in 1997 when a lease on the bulk of the territory expires, but Hong Kong will be allowed to rtain its social, economic and legal systefs for 50 years after the Chinese takeover.

Agencies

Citibank's Manila deposits problem still unresolved

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE RESCHEDULING agreement reached between the Philippines and its main commercial bank creditors in New York this week leaves basically unresolved the problem of the deposits frozen at the Manila branch of Citibank when President Ferninand Marcos first introduced exchange controls a year ago.

The deposits freeze has been a major source of controversy in international banking circles and is now the subject of legal proceedings in both the Philippines and the U.S. where Wells Fargo, the West Coast bank, has filed suit to force Citibank to repay the money.

Bankers had feared that the controversy might delay any rescheduling agreement, but the committee of leading creditors chaired by Manufacturers Hanover has simply sidestepped the issue in agreeing a package that involves a credit of nearly $1bn (£833m) as well as the reschednling of bank loans falling due up to the first quarter of 1986.

Citibank, meanwhile confirmedyesterday that a a gesture of goodwill it is prepared to make an additional loan to the central bank of the Philippines base on the figure of about $300m in deposits repaid with permission of the Philippines' authorities in April this year.

The loan would be on the same terms as the ney money facility being sought by the Philippines which calls on the country's 483 creditor banks to put up new money in an amount of 7½ per cent of their exposure outstanding in October last year.

This means Citibank's extra loan will be slightly more than $20m.

But Citibank said it still considers that both the deposits repad and the $330m in deposits which are still frozen represent Philippines sovereign risk. Its Manila branch cannot repay them without the approval of the Philippines authorities.

Bankers believe this situation could still prove a handicap when the rescheduling package is put to all bank creditors.

Those which have deposits in Citibank's Manila branch regard them as Citibank risk and feel the bank should make repayments from its New York Head Office.

Some have said they will not make fresh loans to the Philippines unless the dopsits are repaid.

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Aquino inquiry claims bid to discredit findings

BY EMILIA TAGAZA IN MANILA

THE FACT-finding board investigating the assassination of the Philippines opposition leader Mr Benigno Aquino said yesterday that "Certain quarters" are trying to discredit the board and its findings.

The board was reacting to a letter it received from one of the civilian witnesses saying he wants to withdraw the evidence be bad given to the panel.

He was withdrawing his testimony because he claimed the board had reneged on its promise to keep his anonymity and to help his family emigrate to the U.S.

The witness went on to claim that be had said that in a close-door hearing that he bed told the board that Aquino had been sbot by a soldier although be did not see the face of the gunman. He had made the statement on "The prodding of the board members," be added.

The board stated: "The alleged retraction is viewed as an effort by some quarters to discredit the board and its findings." The board is "Appealing to whoever is using this witness not to harass or har mhim."

The withdrawl of the witness's testimony does not affect its conclusions that the military bad conspired to assassinate Mr Aquino, the board added.

All the board members agreed that there was a militry conspiracy, but the board chairman, Mrs Corazon Agrava a former judge, disagreed that Gen Fabian Ver, the armed forces chief of staff, was involved in the conspiracy.

It will be known this week whether Mrs Agrava will join the four other members in their report naming Gen Ver.

The four members are expected to announce their joint reports whether or not Mrs Agrava signs it.

'Durban 3' put conditions for quitting consulate

BY ANTHONY ROBINSON IN JOHANNESBURG

THE THREE enti-Apartheid activists at present in the British Consulate in Durban yesterday set out four conditions under which they woud vacate the premises voluntarily.

At simultaneous press conferences run by British Labour MP, Mr Donald Anderson, in London and lawyers representing the three men in Durban, they asked the South African Government to eccept one of four conditions.

The first was withdrawal of the detention-without-trial orders imposed on them. Falling that, they asked the Minister for Lad and Order, Mr Louis Le Grange, not to silence them or forbid the lawyers among the detainees from practising

If the Minister was not prepared to accept those demands, they asked him to provide reasons for their arrest, and those of three other former refugees now in Pietermaritzburg Jail, so as to make a legal case for withdrawal of the detention-without-trial notices imposed on them.

The fourth request was the issue of passports so that the three wen could fly to New York to take up an invitation to appear before the UN Anti-Apartheid Committee.

They also called on the British Government to accord them a different status from that of "unwelcome guest." The three men have been occupying the consulate for over a month. There was no immediate comment from the South African Government.

Patti Waldmeir adds: Mr Anderson, who is the Labour Party's Foreign Affairs spokesman, said on his return from a visit to South Africa during which he met with the three men several times, that he did not believe the British Government would dare to evict them.

Mr Malcolm Rifkind, a Foreign Office Minister, yesterday summoned South Africa's Ambassador, Mr Denis Worrall, to his office to stress Britain's hope that the South African authorities would return four South African businessmen to Britain to stand trial on arms smuggling charges in Coventry next Monday

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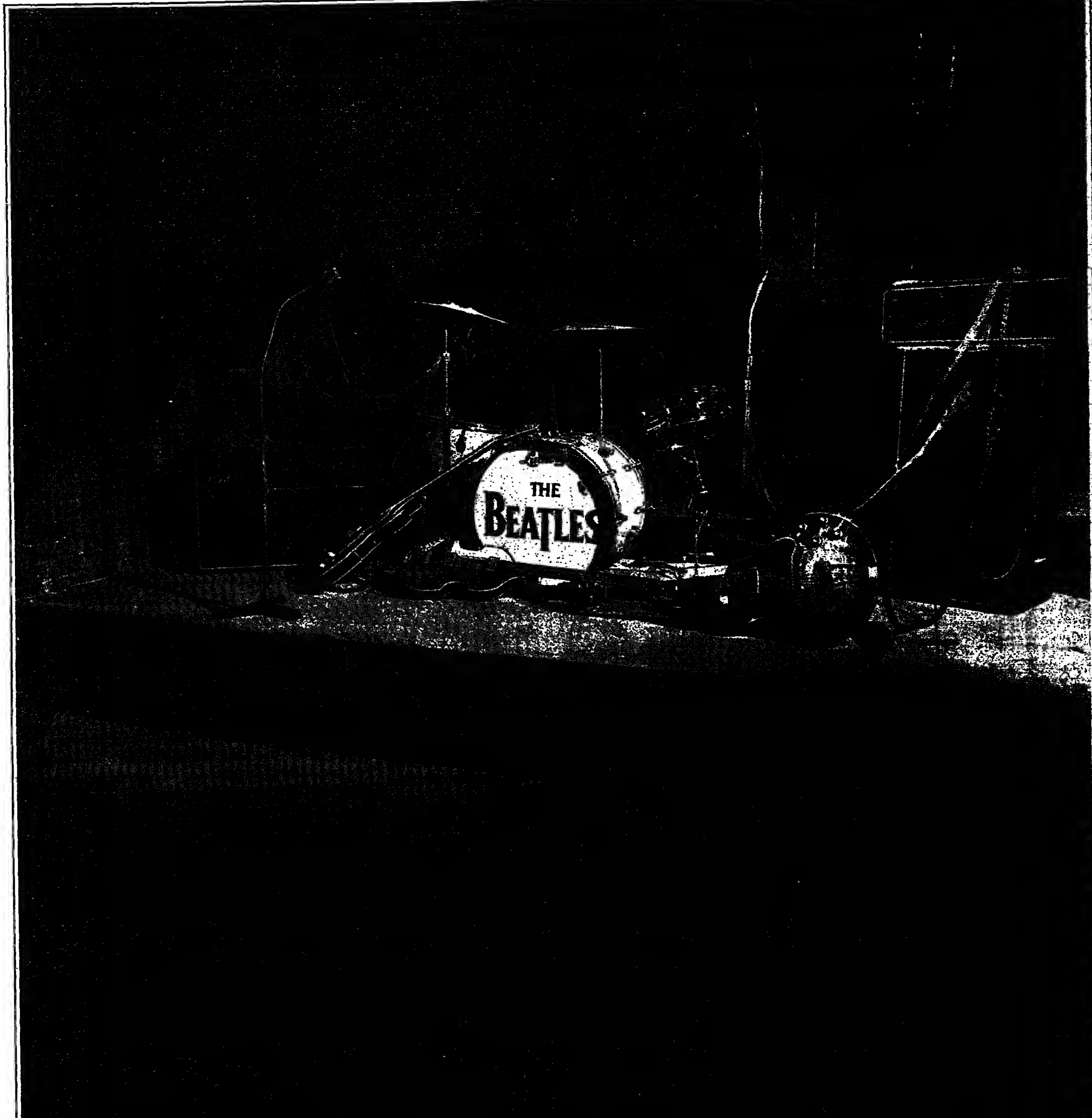


AFTER TWENTY YEARS, ANOTHER RECORD FROM MERSEYSIDE.

On October 19th, Shell's fab new refining plant opens at Stanlow. It is, we are pleased to say, a record for Merseyside.

Construction of the plant was completed well within the budget of £56 million, and what is more, it was finished well within the production schedule. Relationships between the workforce and the management were excellent, with productivity exceptionally high even when seen in international terms. Furthermore, we are proud to say that the new plant at Stanlow is one of the most advanced of its kind in the world.

Called a 'Platformer,' the plant will use platinum as a catalyst in the production of high octane components for petrol.

This will help Shell be ready to introduce low-lead petrol in order to meet requirements of new legislation that will be coming into effect in January, 1986.

The combined efforts of the contractors, of the workforce, and of Shell, have resulted in what can only be described as a record achievement for the Stanlow plant.

A new record from Merseyside. Or as they say, a platinum Number One!

YOU CAN BE SURE OF SHELL

Poll boosts Mondale hopes for 'high noon' debate

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR WALTER MONDALE continued his comeback in the opinion polls yesterday, narrowing President Ronald Reagan's lead to 12-percentage points—52 per cent to 42 per cent—in the latest Washington Post/ABC news survey of registered voters nationwide.

The latest figures, confirming trends recorded in other polls over the last 10 days, came as both candidates took time off to prime their weapons for the second and final round of their televised debates in Kansas City on Sunday night.

Following Mr Reagan's lacklustre performance in the first debate in Louisville, Kentucky, on October 7, the duel in Kansas City is now widely seen as potentially the single most important event of the entire election.

Mr Louis Harris, the well-known pollster, yesterday described the debate as the "high noon" of the election campaign. "If Mr Reagan wins, he has probably won the election. But if he doesn't, this election could be up for grabs and it comes down to one 90-minute period," he said.

The Washington Post/ABC poll showed that Mr Reagan's lead had dropped from an 18 point margin before the first debate. In indicated, however, that while Mr Mondale had improved his overall popularity and leadership image, he had made no significant gains on the specific issues, such as the budget deficit and social security, that he emphasised in the first debate, nor on the question of the 73-year-old Mr Reagan's age.

Much of Mr Mondale's gain appeared to have come from the return of previously hesitant Democrats to the fold. The poll gave Mr Reagan 96 per cent of Republicans, while Mr Mondale increased his share of the Democratic vote from 66 to 75 per cent.

Mr Harris pointed out that at this stage in 1968, Mr Hubert Humphrey, the Democratic candidate, was nine points behind. President Richard Nixon, only t olose the election by one point. In 1976, President Gerald Ford was 11 points behind Mr Jimmy Carter and lost by two points.

Mr Harris's figures, published on Tuesday, show Mr Mondale onlye nine points behind Mr Reagan, but Mr Harris's polling methods consistently show stronger support for Mr Mondale than most other opinion polls. Many pollsters also believe that the margin of Mr Reagan's lead is less important than his actual share of the vote—setill comfortably above 50 per cent, even in the Harris poll.

The latest Washington Post/ABC poll showed the Reagan-Bush ticket leading the Mondale-Ferraro team by 57 to 39 per cent among male voters and 52 to 44 pe rcent among women. It said thatthe relative popularity of Mr Bush and Ms Ferraro was now so even that it did not look like having much effect on the outcome.

With only four per cent of those surveyed saying thatthey were undecided, the battle for Sunday's debate, which will concentrate on defence and foreign policy, was clearly the 30 per cent of voters who said that they were less than "absolutely certain" of the candidate of their choice, the poll said.

THE CHAIRMAN of the Intelligence Committee of the House of Representatives on Wednesday denounced a CIA manual produced for Nicaraguan rebels as "repugnant" and a "disaster for U.S. foreign policy," AP reports from Washington. Democratic representative Edward Boland condemned the 90-page psychological warfare manual as a "document (that) should never have been produced by any element of the United States Government." The Administration refused to comment on the matter.

U.S. consumer spending and income rise sharply

BY STEWART FLEMING IN WASHINGTON

SIGNS of a revival of consumer spending which could underpin U.S. economic growth in the fourth quarter of the year surfaced yesterday with the announcement that personal income and spending rose strongly in September.

The Commerce Department reported that, after three months of stagnation, personal income in September surged by 0.9 per cent — $26.7bn (£22.62bn) — on a seasonally adjusted basis to an annual rate of $3,071bn. Personal consumption expenditures, which had been stagnant through June, July and August, also rose sharply, increasing 1.4 per cent, or $34.6bn.

Economists have been watching the consumer sector carefully over the past month. They see a revival of consumer spending after the summer pause as an essential precondition for continued healthy growth in the fourth quarter.

The personal spending data released yesterday tends to confirm the more volatile retail sales statistics for September, released earlier in the month, which also showed a strong rebound from the summer.

Detailed figures relating personal income indicate, however, that the manufacturing sector remains a soft spot in the economy. Earlier this week it was reported that industrial production last month declined for the first time in almost two years.

The Commerce Department is due to report today its preliminary estimate for third-quarter gross national product.

Bolivia names Finance Minister

By Mary Helen Spooner in La Paz

SR GUALBERTO MERCADO, a former central bank president and ex-director of Bolivia's state bank, has been appointed Finance Minister in the fifth big cabinet reshuffle of President Hernan Siles Zuazo's two-year-old government.

The Bolivian cabinet resigned en masse on October 8 in the midst of severe disagreements over economic policy. The posts remained vacant for more than two weeks as the Siles government sought to shore up its shaky political coalition.

Sr Mercado's predecessor, Sr Oscar Bonifaz, was a Christian Democrat whose party withdrew from the government following frequent clashes with members of the Bolivian Communist Party.

Last May Bolivia declared a moratorium on payments on $780m in commercial foreign debt, but has promised its creditors it will honour its obligations when it is financially able to do so.

Beagle Channel treaty initialled

By James Buxton in Rome

CHILE and Argentina yesterday initialled in Rome a treaty which should put an end to their border dispute over the Beagle Channel.

Delegations of the two countries met in a pavilion in the Vatican Gardens to approve the leather-bound treaty, which was drafted after the two sides reached agreement following six years of meditation by the Vatican, including interventions by Pope John Paul II.

The treaty is believed to grant sovereignty of the three disputed islands—Picton, Nueva and Lennox—at the entrance to the Beagle Channel to Chile, with 15 miles of territorial waters around them. It is also believed to provide for the drawing of a line between Cape Horn an the South Pole which would divide the two countries' areas of control.

Bahamas awaits showdown as Pindling's credibility is put to test

BY NICKI KELLY IN NASSAU

THE convention floor of Bahama's governing Progressive Liberal Party will next week become the battleground for a major challenge to Prime Minister Sir Lynden Pindling's leadership of the PLP, according to party officials.

Long-time PLP members are likely to experience a sense of *deja vu* when the convention opens on Monday. In 1970 eight PLP legislators, including two Cabinet Ministers, challenged Sir Lynden's leadership and then quit to become a part of the parliamentary opposition.

The issue this time is the prime minister's credibility, badly tarnished in the course of an eight-month investigation into drug trafficking. Allegations made before a commission of inquiry have implicated Sir Lynden and two former cabinet colleagues in an extensive network of bribery and corruption encompassing the police, public service, legal profession and the cabinet.

Although oll three have strongly denied the charges, Youth Minister Mr Kendal Nottage and Agriculture Minister Mr George Smith resigned two weeks ago amid a cabinet shake-up. The prime minister refused to resign.

Former deputy prime minister Mr Arthur Hanna quit at the same time. Now Mr Hanna plans to make his own bid for the party's leadership, assisted by ex-ministers Mr Perry Christie and Mr Hubert Ingraham, fired for backing Mr Hanns.

The showdown is expected next Thursday when the convention meets to elect its officers. For the first time in the party's 30 year history, the electioo will be held in closed session, a clear signal of the turmoil within the PLP.

"It is no secret that I am personally unhappy with the tremendous amount of corrupt activities which I perceive to be taking place all around me in the government," Mr Ingraham observed shortly after his dismissal. He was also concerned, be said, by the general decay in the country, the Prime Minister's lack of leadership, "and more pointedly the compromised position which be is in."

However, neither the dissidents nor their supporters want an open break with the party similar to the one which fractured the PLP in 1970.

While the Prime Minister is expected to survive this latest challenge, the PLP is likely to emerge from the convention bitterly divided, making it difficult to govern effectively.

Sir Lynden is determined to remain in power. He has shuffled his seven remaining ministers, added one new cabinet member and named himself Minister of Finance.

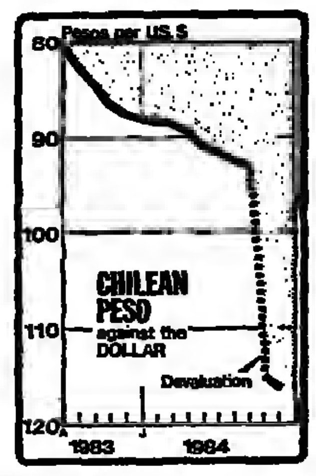
The commission found thot in the last seven years the Prime Minister apent eight times more than he earned, owes over $2m (£1.69m) in bank and privately-arranged loans from foreigners with investments in the Bahamas, and through a close friend and alleged influence peddler, received $645,000 traced to casino interests in the Bahamas.

Sir Lynden bas admitted be made "some serious errors in judgment" and that, as the country's leoder, he must accept responsibility for the "severe political and econmic damage" done to the Bahamas over the past year.

He is now anxious, be said, to get the economy moving once more and intends shortly to open discussions with foreign investors around the world. With his credibility in question, the prime minister may have a rough time of it. The government's previously contradictory policies on foreign investment bave already extracted a beavy price from the islands.

Price rises could spell more political trouble, reports Mary Helen Spooner

Peso devaluation shocks Chile's poor



THE OPTIMISTIC economic predictions made by Chilean officials early this year have now faded into bitter memory as the country reels from the consequences of last month's devaluation. The wave of price increases is threatening to cause more political trouble for General Augusto Pinochet's already embattled regime.

Opposition trade unions are now calling for a general strike to demand higher salaries and a freeze on the price of basic necessities. Prospects for the success of such a strike are uncertain, but the economic pinch on Chile's working class arising from the 23.6 per cent devaluation of the peso may give labour groups just the backing they need.

Few knowledgeable Chileans questioned the need for the devaluation and some economists say it was insufficient. Last week Sr Luis Escobar, the Finance Minister, was compelled to deny persistent rumours of an additional devaluation and the peso began to decline on Chile's legal parallel market from 120 to the U.S. dollar to 130.

The Government appears to have postponed the devaluation for as long as possible while searching for alternatives to an inevitably unpopular move Chile is about to begin negotiations with the International Monetary Fund (IMF) for a new standby accord as it seeks to reschedule $7.2bn in foreign debt falling due over the next three years.

Sr Escobar said the Fund had issued a "technical opinion" that a devaluation was necessary, and when work began on next year's fiscal budget the evident revenue shortfall could no longer be avoided.

"The country has had to take foul-tasting medicine in order to face next year," Sr Escobar said. "We had two alternatives: either increase revenues or decrease spending, and the devaluation covers them both."

With the price of copper, Chile's chief export, falling to as low as 57 cents per pound, the country registered a trade deficit in August of $66.4m, reversing the trend towards a modest surplus each month. Imports also rose during the last two months, including an unexplained increase in luxury items. According to central bank figures, Chile spent $1.4m alone on imported television sets in July.

Official statements on the devaluation and its repercussions have not always been consisteot. Sr Modesto Collados, the Economy Minister, said that public sector workers on low salaries would receive a compensatory bonus of 400 pesos (£2.80) per month.

But Sr Escobar, at the Washington IMF meeting, said that the authorities were not planning to take any precipitous steps in the wake of the devaluation. They also made contradictory remarks over whether or not additional aid packages were under study.

Both officials bove predicted that Chile's consumer price index for this year would not rise by more than 20 per cent, but the director of the government's Notional Statisticol Institute last week said this goal would be difficult to achieve.

The inflation rate for the first nine months of the year was reported ot 10.9 per cent, but this does not reflect the impact of the develuation.

The 400 peso monthly subsidy has pleased neither the IMF nor the low income groups it was aimed at belping. Even the most pro-Government political groups and trade unions have urged the regime to make immediate readjustments in salaries, which Sr Escobar says will not be undertaken till after the beginning of next year. Prices of basic food items have increased by as much as 37 per eent while salaries remain frozen.

One survey done in Santiago calculates that the cost of living for poor Chileans rose by 16 per cent last month, and a family of five now needs at least 11,000 pesos (£78) per month to cover the cost of groceries and fares, excluding rent payments and power bills.

The minimum monthly wage remains around 6,000 pesos per month, with at least 8 per cent of the workforce earning between 2,000 ond 4,000 pesos per month in Government work projects for the unemployed.

The resulting squeeze has mode many Chileans feel they have less to lose than ever by taking part in anti-Government activity, including violence. A Catholic priest working in a West Santiago slum put it this way: "The poor can't even afford bread at 70 pesos a kilo now."

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FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

Anglo American — new chairman Gavin Relly stresses continuity of style

Mr Gavin Relly

Gavin Relly, chairman of Anglo American Corporation of South Africa, speaks in this interview with Richard Rolfe, London-based international editor of Finance Week *of Johannesburg.*

Rolfe: At the time of your appointment as Chairman of Anglo in January 1983, what did you regard as your top priority?

Relly: Unquestionably it was to create a smooth succession after a long time of Oppenheimer chairmanship. With the great moral position the family has established, I saw it as very necessary to try and give that continuity to the Group. The style established by Harry Oppenheimer and his lather relied very greatly on the human input and it secmed important to establish e *modus operandi* which would continue to sustain what they had created. I believe I have been able, without simply reproducing it in a formal way, to keep that aspect of our affairs going in a satisfactory manner.

Rolfe: Would you characterise any difference of approach betwen yourself and Harry Oppenheimer?

Relly: Different people have different approaches and nobody can doubt that Harry's extraordinary position in the country, as an individual, political thinker and as an intellectual force, brought particular qualities to bear on the job. I don't believe there has been a very great difference of emphasis, though perhaps I have had to pay more attention to the organisational basis of the group than was necessary in the past and I think this has tended to reflect itself in our present state of affairs.

Rolfe: Have you been more aggressive — in takeover situations, for example?

Relly: No — I don't think I have either felt encouraged or inhibited. Anglo American has its role in South African business, which is to take advantage of opportunities when they are presented and to create other opportunities where they aren't. I don't think the actual nature of our business approach has altered fundamentally in the last couple of years.

Rolfe: What expansion opportunities do you see in South Africa?

Relly: Most areas have been covered in the beavy end of industry in which we have sought to take a role outside mining and that, of course, is steel and associated industry, including engineering on the one hand and paper on the other, ranging from forests right through pulp mills to the final Mondi Paper complex. That has used up two important areas in which we have a firm foundation.

I think one has to look for growth not so much in original and new areas in South Africa but simply stemming from the very substantial population expansion which takes us into the conventional areas of housing and additional import replacement opportunities in the expanding consumer and related markets. All these things will grow and one must ensure that our investments in those areas are better managed and will grow at a faster rate than our competitors. We have recently taken an interest in Ventron, the investment holding company of the Altech Group, which is well into high technology, and I hope we can expand our interests in that area.

Rolfe: Your annual report shows that over 40% of your earnings come from gold. What is your long-term view here?

Relly: Leaving aside lor the moment what additional investment opportunities there are in gold, I remain a bull of the metal, largely because I think in a world where there is no comprehensive credible analysis of how the world's financial markets really affect what is happening, gold stands out, as it always has done, as the one single international financial adjuster which has the extraordinary merit of not being an IOU.

I am inclined, therefore, to think that when all is said and done and we have gone around the mulberry bush a dozen times, gold will again be seen to have a value which will re-enhance its status. At the moment it may be low in dollar terms, but not in terms of other currencies.

I don't think we yet understand the impact on the gold price of the metal becoming a tradeable commodity in the sense that it has done, but even given that the futures trading positioo is a complicating factor, I see the metal as having a sound long-term future. Anglo American backs up what I am saying by spending a great deal of our prospecting budget on looking lor gold, both in South Africa and overseas.

Rolfe: Is gold the main object of your prospecting activities worldwide?

Relly: Gold and precious metals are the top of our list, as they are with very many international companies. The only thing is that we might have some reasoo to leel that we know more about mining gold than other people.

Rolfe: How do you see the outlook for base metals?

Relly: It's very sluggish indeed and there are a number of unanswered questions about the nature of base metal usage, together with problems of substitution and oversupply. We continue to monitor trends and to manage our existing operations within the constraints of the market place. Of course at some point the world will reassume a more conventional growth pattern in which we will play our part.

We have an ongoing prospecting programme and we recently acquired the Australian business of Steetley Industries Limited, renamed Commercial Minerals Ltd.

Rolfe: What areas overseas are you concentrating on?

Relly: South America is attractive and obviously so is Australia to some extent, though we have spent a great deal of prospecting money there to little effect. Through associates, North America too, of course, is interesting. Anywhere which has a substantial history of gold mining will tend, I think, to be a favourable area to look at today even if the original mines have elosed down in the meantime.

It's a question of hunting elephants where elephants are, or where you know they've been.

Rolfe: What is your group view on Black labour relations and the emerging trade unions?

Relly: Emerging is the correct word. It's a fascinating transition from paternalism to bargaining with all the implications it has on the psychology, both of labour and of management, and as I have said before, the learning curve on both sides is pretty steep.

We can expect this to be rather an experimental period and I think experimental periods in labour relations are rather dangerous because people are unskilled perhaps at recognising the nature of the problems or are unknowledgeable about the nature of solutions too.

I think that both management and labour are determined to make this work and not simply see it as a breakdown point in industrial relations, so I am optimistic but one must also be pretty realistic about the difficulties. In all the circumstances, I think thet the recent negotiations between the Chamber of Mines and the National Union of Mineworkers demonstrated a balance of good sense which illustrates what I am talking about.

Rolfe: Do you think enough attention is paid to the need for political expression by Blacks in South Africa?

Relly: In a formal sense the answer is "No". At the same time we can obviously see a process of change taking place which is involving first the Coloureds and Indians through the new constitution and which I believe will open the way to a form of federalism which will bring about e proper involvement for the black people. There is also a developing black urban self-government which will give its own thrust to reform. But any process which is evolutionary tends to be teo slow from the point of view of a number of people directly involved.

Rolfe: Do you think that your political line in general is in any way different from your predecessors?

Relly: It may be that President Botha is pushing things along at o rate which sustains the prospect, not of a solution because I don't think you ever get "solutions" io human affairs, but of a oon-violent evolution of political relationships. If this isn't so, then I'm certainly desperately disappointed.

I would say that whatever the relationship was before, I should certainly stand in no different light to where Mr Oppenheimer would have stood. But the nature of recent change may have been sufficient to inspire optimism about the future which I think it didn't ten or twenty years ago. It's that marginal difference in otótude, I think.

Rolfe: Your predecessors believed Anglo should make a profit for shareholders in a way that makes a lasting contribution. Is this view unchanged?

Relly: I feel it must be the essence of an Anglo American style that one wants to do things properly. I don't believe any business, particularly any business of our size and influence, can stand outside the communities in which it operates. Their good health is really the guarantee of the Corporation's own good health, I think, so there can't be any deviation from that point of view.

Rolfe: You have also said that Anglo is not multinational although you have links and operations all over the world. Could you clarify this?

Relly: Well, I tried to distinguish ourselves from a multi-national corporation which is monolithic in the sense that it produces one product or a series of closely related products through manufacturing facilities in many parts of the world and which, to whatever degree it might decentralise its management, nevertheless regards itself as a single entity straddling a number of countries: we have never seen ourselves in that way.

We have made investments in other countries and, to that extent, may be regarded as an international investor but we do not set out to manage our investments in foreign countries from South Africa; nor do we have our investments only in one activity or in closely related activities — they range widely. So I think Anglo is an international company surely but perhaps not multi-national. You could have learned professors talk for weeks on the difference.

Rolfe: Looking purely at the economic scene in South Africa, are there any ongoing changes you would like to see carried out?

Relly: I think the process of financial reform must continue gradually but most important it must be a reform which relates to enterprise — a reform which allows people to do things because they think they are going to do well and be allowed to benefit from the results.

The crucial step in South Africa is to move away from the mindless regulatory way of life, particularly in the areas in which personal entrepreneurship can work amongst Black, White, Coloured and Indian people. At the macro level, I think we have to be a bit careful not to throw the baby out with the bathwater in the zeal for reform. Unless a very firm view is taken at the centre of Government about the problems of inflation and a very, very firm lead, if not direction, doesn't come forth from there, I think we're going to be in trouble — not least with the administered price controls. The large parastatals, and the civil service generally, must be encouraged or directed to control their costs.

Of course the Government is taking a strong line now, and I hope they will stick to it.

WORLD TRADE NEWS

Saudi Government denies responsibility for late payments

BY MICHAEL FIELD

THE SAUDI Finance Ministry has denied it has been delaying payments to contractors working on Government projects in the Kingdom. In statements issued this wee, the Ministry sought to dampen the effects of foreign press reports of problems arising over alleged late payments.

The statements criticised the practice of "commercial establishments" giving banks "wrong information about payments they say are owed by the Government, thinking that such claims may help convince banks to postpone the repayment of their debts."

The Saudi statements go on to say that payments have only been delayed where contractors have been late in completing their work or have contravened the technical specifications of their contracts.

The reaction of foreign and Saudi contractors to the statements has been to concede that in a literal sense what the Government says is correct. When payments have been late it has always been because Saudi Government clients have delayed giving approval of work.

On complex contracts it is always possible to find some fault, breach of specifications or grounds for time-consuming questions. What has changed, it is said, is that Sandi Government agencies are discovering more of these minor problems than they did before.

Leading companies that have suffered from these problems include the French-American joint-venture, Bouygues?Blount, which is the major contractor on the $3.4bn Riyadh University. At one point earlier this year Bouygues-Blount was owed $400m.

Another company owed money is the Japanese contractor, Penta Ocean, which has a major land preparation project at Jubail. The contractor has been owed some $50m for five months.

It is generally accepted now that late Government payments have not been the prime cause of embarassment to those contractors that have got into financial difficulties, though all of the contractors have referred to the problem. So far this year one contractor, National Chemical Industries, has gone into liquidation, another, Carlson Al-Saudia, has ceased operations, and a third, the Ali and Fahd Shobokshi partnership, has asked for a reschedualling of a $400m bank debt.

In the last month, it has emerged that these contractors have mismanaged their contracts in some way, through bidding too low, failing to assess the scope of work in advance, or carrying out the work badly. On the Riyadh University housing project, for which Carlson Al-Saudia was the contractor, the authorities say that some buildings may have to be demolished because of foundation problems.

Rules governing overseas contractors tightened up

THE SAUDI Arabian Government has announced a tightening of the terms of the 30 per cent rule, one of the major decrees governing the operations of foreign contractors in the Kingdom, Michael Field reports.

The change in these regulations concerns the definition of what constitutes a foreign contractor. Previously it was any company which was 50 per cent or more foreign owned. Now it is any contractor in which there is any foreign interest at all.

Since last March, when the rules was introduced, foreign companies working on state contracts have had to subcontract 30 per cent of their work to Saudi companies or take 30 per cent of the value of the contract in goods and services from local companies.

The purpose of the new regulation is to provide a stimulus to the Saudi private sector, which has ben hit hard by the drop in awards of Government contracts in the last two years.

● The West German engineering consultants Lahmeyer International said it and an Iranian company had ben awarded a contract to plan, monitor and aid with tendering for a DM1.5bn power project in Iran, Reuter reports from Frankfurt. The project is a storage plant with a capacity of 1,000 Mw in the Siahbishe area in the Elburz Mountains, 150 km north of Tehran, which it will supply.

Japanese ship orders down 60% in first half

By Andrew Fisher, Shipping Correspondent

JAPANESE SHIPYARDS suffered a slump of 60 per cent in new export orders in the first half of this fiscal year.

In the period from April to September, new foreign contracts totalled only 2.45m gross tons against 6m tons in the same period of 1983.

But the comparison was with a year in which Japanese order books were inflated by a surge of overseas orders for bulk carriers.

The foreign order backlog in Japan at the end of September was down to 539 ships of 11.9m tons from 572 of 12.1m at the end of March.

But the order inflow this year compares favourably with that in fiscal 1982, when only 1.23m tons of new export orders were received.

Also experiencing a sharp downturn in new orders is South Korea, number two in world shipbuilding after Japan.

The Trade and Industry Ministry in Seoul reported that foreign ship orders in the first nine months of this year fell by 56 per cent.

Coinciding with the latest figures from the Far East was a more gloomy assessment of the future from tho West European industry.

The Association of West European Shipbuilders (AWES), in its latest forecast of world fleet needs, concluded that the recovery to mid-1970s levels of shipyard work would most likely occur around 1995 instead of 1990, as earlier suggested.

It put the overall fleet requirement at 586m deadweight tons in 1990, compared with its forecast made in 1982 of 607m at the end of the next decade.

Back in 1980, AWES forecast that the required fleet, based on economic and trade projections, would be some 680m tons.

The current fleet is nearly 666m deadweight tons.

AWES's latest forecast was for a fleet requirement of 544m tons in 1987, rising by 40m more tons by 1990. The decrease from the current fleet levels would be accounted for by the removal of the continuing heavy surplus of tankers.

Hugh O'Shaughnessy examines the new face of the West India Committee

Britain rethinks policy towards Caribbean

BRITISH government policy towards the Caribbean is just emerging from the trauma it suffered at the time of the U.S. invasion of Grenada.

The political and economic aspects of Anglo-West Indian relations have been going through an at times painful rethink the results of which will be aired soon.

Baroness Young, the Foreign and Commonwealth Office junior minister, is due to make a major speech in London shortly while Mr Paul Channon, the Trade Minister, will be addressing the annual gathering of U.S. businessmen interested in the Caribbean in Miami in December.

The emerging policy will take account of the new and tougher political realities of the region and the growing interest of businessmen — Caribbean and foreign—in the opportunities for investment offered by President Reagan's Caribbean Basin Initiative (CBI). The CBI offers duty free access to the U.S. market for many manufactured goods produced in the Caribbean.

One of the principal sources of new ideas on British policy is the West India Committee, in itself a minor news item.

The West India Committee was founded two centuries ago by plantation owners to make sure that threatening moves in Parliament to abolish slavery did not prosper. The blocking action was a manifest failure, but until recently the Committee, according to its detractors, maintained a slightly

Mr Jessup: more involved in the Caribbean

18th-century air, redolent of the remaining British families with plantation interests in the Caribbean.

The modern Caribbean, now virtually independent of Britain, and often looking towards Washington rather than Whitehall and increasingly caught up in East-West and North-South conflicts seemed to have bypassed what had been one of the most powerful and influential political trade lobbies in Britain.

Worse, financial misfortunes at the end of the 1970s threatened the very survival of the Committee.

Today the Committee seems to be turning the corner and is becoming once again a powerful institution helping to shape relations between Britain and the Caribbean, and in a far different way than in the slave-trading days of the last century.

Its corporate members include about 130 British companies. In the Caribbean itself the membership comprises businesses and trade organisations which range from Angostura Bitters in Trinidad to Alcan Jamaica to the Chamber of Commerce of Cuba and the British Virgin Islands Tourist Board. They are taking part in what is the Committee's offices in London's Albemarle Street off Piccadilly is known familiarly as the Great Leap Forward.

The present chairman of the Committee is Mr J. Stuart Paton, whose family company, Thomson Hankey, has been trading with the West Indies for generations and has helped put the Committee back on a sound financial basis. Subscriptions have been increased, income from publications has gone up and the Committee has started charging governments and companies a market price for the trade, promotional and consulting services it provides.

Some of the Committee's heirlooms, not to say museum pieces, have been auctioned off.

Last year income at £129,690 exceeded expenditure by more than £2,000.

Parallel to the upturn in financial fortunes has been the re-establishment of the Committee's credentials as an effective promoter of trade in both directions between the West Indies and Britain and as a centre of new ideas and information about the region.

EXPORTS TO the U.S. by beneficiaries of the Caribbean Basin Initiative (CBI) rose 31.7 per cent in the first half of 1984 to $160m from $121.3m in the first half of 1983, U.S. trade officials said, Reuter reports from Bridgetown.

The 20 CBI countries were granted special tariff and import quota treatment by the U.S. in the 12-year CBI programme, which began two years ago.

Mr Robert Warne, State Department co-ordinator for the CBI, said on Wednesday concessional aid to the Caribbean for the 1983-84 fiscal year ended September 30 totalled $332m and is expected to rise to $368m this year.

The Committee has been a source of ideas and position papers not just for its own members but for the Foreign and Commonwealth Office and the Department of Trade on how Britain should conduct its trade and political relations with the West Indies at a time of sometimes violent change. It has sought to stimulate West Indian exports to Britain, last year sponsoring the first trade mission from Caricom to Britain and has begun to forge links with West Indian entrepreneurs in Britain.

The Committee has also made new contacts with government and business in the U.S. and Canada.

The Committee has also welcomed the decision of Mr Channon to join U.S. Secretary of State George Shultz in addressing the Miami conference.

The architect of many of these changes has been Mr David Jessup, the 36-year-old director of the Committee.

Mr Jessup first made his mark in the Committee in 1978 when he launched Insight, a monthly newsletter on the Caribbean which is prime source of news on the region and whose circulation has tripled over the last two or three years as companies and governments scrambled for good intelligence on the region.

He also revolutionised the Caribbean and West Indies Chronicle which he now edits in collaboration with Mr Jeremy Taylor, a journalist based in Trinidad.

Mr Jessup is half way through the five-year contract and he clearly has plenty more plans for change and modernisation. "I took the job," he says, "on the condition that the Committee would become much more involved in the Caribbean itself rather than remaining as an essentially London-based organisation."

He has enjoyed the backing of manufacturers, traders and bankers in Britain and governments and businessmen in the West Indies.

ECGD backs Airbus loan

THE EXPORT Credits Guarantee Department has guaranteed a loan of about £17m which will help to finance the sale of two A-310-200 Airbus aircraft plus spares to Air Algerie, our Trade Staff writes.

The aircraft will be manufactured by Airbus Industrie, the consortium of British, French and West German aircraft constructors in which British Aerospace holds a 20 per cent stake.

Finance for the UK portion of the contract has been made available by Midland Bank acting as lead manager of a syndicate

The ECGD also has guaranteed a £3m loan and the repayment and funding of a DM 12m (£4.2m) loan which will help to finance the supply of UK capital goods and/or services to Bulgaria.

Japanese bid for Thai complex

BY CHRIS SHERWELL IN SINGAPORE

JAPANESE contractors dominate the short-list of bidders for Thailand's large fertiliser complex, part of the country's ambitious eastern seaboard industrialisation plan based on offshore natural gas.

Follow-up discussions on financing are now taking place, and the bidders are presuming that there will be no Thai Government guarantees involved—a consideration which could affect offers of aid or export credits.

The short-list is in three parts, for different segments of the project:

● For the ammonia/urea plant, the main contenders are a consortium of Sumitomo, C. F. Braun and Hitachi Zosen, another comprising Toyo Engineering, Mitsui and Company and Technicas Reunidas, and a third linking Chiyoda, Marubeni and Voest Alpine.

● For the phosphates complex, Davy International of the UK, together with Mitsui Engineering and Shipbuilding and C. Itoh are battling against another consortium grouping Snamprogetti and Mitsubishi Heavy Industries.

● For offsites work, the Sumitomo and Toyo Engineering consortia are in competition, along with a third bidder, Dragados of Spain.

Each bidder tendered for the project as a whole and in parts, and all came in substantially lower than expected. The whole project was originally costed at $777m, whereas the lowest overall bid, from the Sumitomo Consortium, was $230m, and none was more than $400m.

This means the project could probably be financed commercially, and that the question of a government guarantee will not arise. However, Japan's Overseas Economic Co-operation Fund, an official agency which provides concessional financing for development projects on a government-to-government basis, has already committed $85m to the project, and the use of this would require a guaratee.

Newsprint price increase delayed

By Bernard Simon in Toronto

COMPETITION among newsprint producers and above-average customer inventories have forced the big Canadian producer Abitibi-Price to delay a 6.5 per cent increase scheduled for January 1.

Abitibi declined to give reasons for its decision to defer the increase to April 1 1985. The company had announced earlier this month that Canadian prices would rise by 8.5 per cent to C$635 (£400) a tonne, and prices for U.S. customers by 8.5 per cent to US$570 (£475) a tonne. Newsprint prices have already been raised twice this year.

Analysts have interpreted Abitibi's backdown to a misreading of the strength and mood of the newsprint market.

BT board member to join U.S. company

MR COLIN CROOK, an executive member of British Telecom's (BT) board, has resigned to join Data General, a leading U.S. manufacturer of small computers, Guy De Jonquieres writes.

The timing of his unexpected departure, only weeks before the planned flotation of BT shares, is clearly embarrassing to the organisation. Mr Crook, aged 42, joined BT only a year ago from the Rank Organisation.

BT was quick yesterday to deny that policy disagreements had led to Mr Crook's resignation, which is effective today. It said that Data General had offered him a package of salary and stock options "which he could not refuse."

□ BRITAIN and the U.S. are to pool some of their energy resources and development programmes to avoid duplication of expenditure and to encourage shared resources. A memorandum of understanding was signed between the two countries in London by Mr Peter Walker, Energy Secretary and Mr Donald Hodel, his U.S. counterpart.

□ PROFITS of British Airways could rise from £185m last year to £252m pre-tax in 1987, a research study by brokers Phillips & Drew and Wood, Mackenzie says.

□ FINANCIAL institutions in the UK pulled £748m out of overseas equities in the second quarter of this year, the first time since 1976 that they have disinvested from this sector according to figures from the Government Statistical Service.

□ LORD SHINWELL, the former Labour Cabinet minister, celebrated his 100th birthday by defending the House of Lords and insisting it had no need to worry about its future. He said Labour's threat to abolish the Upper Chamber could be safely disregarded.

□ RADICAL and rapid improvements in the system of civil justice were called for by Sir John Donaldson, the Master of the Rolls. The procedure of the civil courts was still too slow, too technical and too costly, be told the Law Society's annual conference.

He said civil justice should be available to everyone at a price that could be afforded through an improved and more just legal aid system.

Foreign interests in City firms welcomed by Bank's Governor

BY OUR FINANCIAL STAFF

THE GOVERNOR of the Bank of England last night welcomed the formation of new financial groupings in the City of London, including those with foreign participation. "We look forward to seeing them play full part," he said.

Mr Robin Leigh-Pemberton said, however, that he was especially satisfied "at the number of strong formations which are wholly British and which promise to provide a greatly increased national capacity to compete with the best that the rest of the world can offer."

The Governer, speaking at the Lord Mayor of London's dinner for merchants and bankers at the Mansion House, welcomed the Government's proposals for two self-regulatory bodies with statutory powers.

"I am convinced that this general structure offers the best means of achieving regulatory arrangements which are capable of meeting the challenges ahead without needlessly impending the efficient conduct of business and without impairing this country's ability to compete."

Mr Leigh-Pemberton that the prospect of achieving the Government's inflation target this year was "far better than most outside commentators believed possible."

He said that the upward pressure on interest rates in midsummer had eased. "I would suggest that there is now a general appreciation that monetary policy is on course, with no grounds at this stage for supposing that we shall not be able to achieve our stated objectives." The Governor did not specifically refer to the recent fall of sterling.

Commenting on the Bank's recent rescue of Johnson Matthey Bankers, Mr Leigh-Pemberton said it was "vital to prevent any contagious spread to other members of a central and traditional London market, any failure within which could have quickly sent serious shock waves through the UK banking system."

He acknowledged that there had been criticisms of the Bank's handling of the affair, and expecially of its efforts to get other banks to pledge large sums of money to the Bank's "lifeboat."

Sir Nicholas Goodison, chairman of the London Stock Exchange, said at the Mansion House dinner that "barring technological accidents" he was confident that the stock ex-

Robin Leigh-Pemberton: monetary policy on course

change would beat the December 1986 deadline, set by the Government, for the final dismantling of fixed commissions on transactions carried out within the stock market.

"We have been working very hard on the future shape of our central market," he said. "We have come to firm decisions on the structure of our competitive markets in gilt-edged and equity securities."

Sir Nicholas said that the details and the supporting technology for the new markets were now being planned. There was also a series of debates about the future structure of membership, about the qualifications of those who advised the public, about the costs levied on new firms which came into the market and about compensation for anyone who lost money through the failure of a member firm.

Sir Nicholas said some of these matters raised questions about the manner in which the stock exchange would finance the further heavy investment in technology which would be needed.

"There are those who fear that our home-bred firms cannot compete effectively against the massive battalions from overseas, "he said." I think that is nonsense. We have a sound domestic market which overseas houses will not find it easy to exploit. We have a lot of experience and skill. We know a great deal about risk-taking. Above all, our reputation for ethical standards is second to none.

Mr Peter Miller, chairman of the Lloyd's insurance market, said the capacity to undertake business in the Lloyd's insurance market had inreased from £1.8bn to £5bn in the last five years.

Industry to pay 4.65% more for coal supplies

BY OUR INDUSTRIAL STAFF

THE NATIONAL Coal Board (NCB) is to raise its prices by 4.65 per cent from November 1. It says that "for the time being" it is not raising the price of fuel supplied to merchants for sale to domestic customers.

At the present reduced rate of coal deliveries to power stations during the national pit strike, the increase could add nearly £80m a year to the fuel bill of the Central Electricity Generating Board (CEGB), on top of the extra £1.3bn a year cost of replacing coal by oil.

The dearer coal could, according to some estimates, be translated into a rise of 3 to 3.5 per cent in electricity prices next spring, apart from any surcharge which the Treasury may wish to impose to pay for the miners' strike.

The CEGB last night expressed relief that the NCB price rise had, as last year, stayed below the inflation rate. There had been reports that the NCB, to recoup some of its strike losses, might boost prices by up to 12 per cent.

Fresh talks on the miners' dispute seem unlikely in the immediate future, despite suggestinns yesterday by Mr Peter Walker, Energy Secretary and some miners' leaders that resumed discussions are imminent.

It is only days since the conciliation and arbitration service Acas, took the unusual step of halting talks between the NCB and the National Union of Mineworkers because of the gulf between them. But Mr Sid Vincent, president of the Lancashire miners, said yesterday, there were "rumours abroad that new talks could be taking place almost immediately." Miners' leaders were being told "behind the scenes" that the NCB wanted talks.

Other miners' leaders privately dismissed Mr Vincent's statement. But Mr Walker said that new talks could take place whenever Acas felt they stood a chance of reaching agreement.

Britain backs EEC car price proposals

BY OUR INDUSTRIAL STAFF

THE BRITISH Government came out in favour yesterday of the draft European Economic Communities regulations intended to reduce the differentials between the price charged by car manufacturers in the UK, compared with other Common Market countries.

Speaking at the Society of Motor Manufacturers and Traders dinner at the motor show in Birmingham last night Mr Norman Lamont, the Minister of State for Industry, said that the Government supported the present draft of the regulations.

Mr Lamont said price differentials were not welcomed by either UK consumers or the UK Government. Just as manufacturers were free to sell wherever they wished in the Community, consumers had a fundamental right to buy wherever they wished. "If prices get too far out of line, consumers will naturally want to buy wherever they can get the lowest price – even if that is less than ideal for manufacturers and dealers," he said.

Present EEC proposals circulated last week would allow the Commission to investigate the pricing structure, when vehicle prices of a manufacturer differ between EEC countries for more than six months.

Mr Lamont said: "Persistently high differentials are bound to lead to concerns that the market is being partitioned by the operation of the franchised dealer system.

"Such partitioning would effectively mean that manufacturers and dealers had agreements which benefited them, but not consumers." If the EEC proposals were adopted consumers would be able to seek redress, he said.

Mr Lamont added that the latest proposals went a long way towards meeting the concerns of the manufacturers. Where a market was "untypical" or "distorted" by tax policies or price controls, such as in Belgium or Denmark, the Commission would not necessarily take action against the manufacturers, even where the price differential was more than 12 per cent.

Some figures showed that, on average, all makes of car were 23 per cent cheaper pre-tax in Belgium than in the UK.

Leading British motor manufacturers objected strongly last night to the Government's decision to support the new regulations.

Indications are that the draft regulations could be approved by the Commission by the end of the year, but it is understood that a "breathing space" of about six months would elapse before they came into force.

Plea by BL, Page 11

GM chief gives warning on output costs

BY JOHN GRIFFITHS

GENERAL MOTORS' Vauxhall car and commercial vehicle subsidiaries in Britain had made solid progress over the past three years and had a "promising future," Mr James McDonald, GM president said yesterday.

He coupled praise with a warning, however, when he told a motor show press conference in Birmingham that GM in general and the UK operations in particular were still not world competitive on costs.

The prospect of further substantial investment in the UK was, therefore, very dependent on further productivity improvements.

There was concern, too, about the pay strike at Vauxhall plants, now in its second week, which had disrupted the launch of the Astra car, the centrepiece of Vauxhall's motor show presentation.

The strike had yet seriously to prejudice GM's attitude towards possible future investment in its UK car operations, he added.

Mr McDonald admitted that he had been "much too cautious" in projecting UK investment levels during a previous visit when he said GM would spend £75m in Britain between 1981 and 1984. UK investment had already reached £130m and further planned spending – including the new paint facility at Luton, due for completion next year, would bring the total so far to £250m.

He declined to predict, however, whether the UK would be in line as the site for any of the next round of substantial investments. GM will need to make later in the decade, in facilities, new models or major components. He said only that it would merit "proper consideration." Overall, Europe could expect to be an area of future investment and expansion.

GM's European operations lost nearly $300m last year. But in denying that the company was "buying market" in Europe – where it is now locked in a close fought battle with Fiat, Ford, Renault and Peugeot for market leadership – Mr McDonald joined in the chorus of manufacturers' criticisms about EEC plans to introduce mechanisms for "harmonising" new car prices.

"Any time a government exerts its powers by affecting prices in the market place gives us cause for concern. We do not think that is part of government in any place in a free society," he said.

He expressed continued confidence in the European industry's future, despite recent figures from Ford that European car-makers had lost £3.6m overall during the past four years and that over-capacity had reached 2.3m units or about 20 per cent.

Managers' group ready to buy Thomas Storey

BY NICK GARNETT, NORTHERN CORRESPONDENT

A CONSORTIUM of managers at Thomas Storey, the bridge-building company which was part of the now defunct Acrow engineering group, is on the point of purchasing the company from the receivers.

The purchase is expected to be completed by Monday. The unions expect the company, based at stockport in north-west England, to re-employ about 200 of the 300-strong workforce technically made redundant at the beginning of the week.

The group of managers, led by Mr John Hatlwell, Thomas Storey's managing director, was successful in raising money in the City of London, and in beating off other bids from a number of companies. One of these was believed to be from Fairey Engineering in greater Manchester.

Thomas Storey, renowned for the Bailey bridge, had assets of £12.6m at the March balance sheet date. It lost £400,000 in 1983-84 but was forecast to produce a trading surplus of £300,000 in the current year.

Developments at Thomas Storey might indicate the piecemeal break-up and sale of the Acrow companies, although there are persistent rumours that a few large groups, including NEI, are still showing an interest in buying parts of the Acrow empire.

The workforce at Coles Cranes, the mobile crane-maker which was the largest part of the Acrow group when it went into receivership last month, have begun industrial action. This is partly in protest at delays in deciding the future of the company, based at Sunderland in north-east England.

The unions are blocking the removal of completed vehicles form the plant, which employs 900. They have made dispensations for companies which have already paid for ordered vehicles. Production is continuing normally.

Union officials said yesterday that they expect redundancy notices to be sent to the workforce in the next two days. The two leading bidders for Coles are thought to be Grove, the U.S. cranemaker, and a group of local directors who have proposed a management buyout.

Mr Ron Stafford, a local offical of the Amalgamated Union of Engineering Workers, said the industrial action was in protest at the speed of negotiations and out of a worry that removal of equipment from the site could make the company less attractive to a potential buyer.

A number of companies have shown an interest in Priestman, Acrow's excavator manufacturing business in Hull, but no offers have yet been made.

Mr James Priestman, managing director of the company until it was taken over by Acrow in 1969 and whose grandfather began the business in 1870, is also trying to put together a buyout package. He has had tentative discussions with merchant banker Hill Samuel.

Priestman, which employs about 300, recently introduced a range of variable counterweight machines with specially long arms for digging at long range. Its order book has been depleted, although it is collaborating with Coles in a contract to supply vehicles to the Ministry of Defence. mg

Chairman at Morgan Grenfell dies

By Ray Maughan

MR BILL MACKWORTH-Young, chairman of Morgan Grenfell, the London merchant bank, died yesterday at his London home. He was 58.

A convinced internationalist, with particularly close links with numerous U.S. businessman, Mr Mackworth-Young helped position Morgan Grenfell and, in a wider role, the City of London itself, to face the day when securities industry would become truly international. He was chairman of the British Invisible Exports Council.

Over the past four years, Mr Mackworth-Young addressed the problems of international banking and, more particularly, the evolution of the City of London's affairs which are sweeping in changes undreamt of when he was broking with the firm of Rowe & Pitman.

Under his guidance Morgan Grenfell has forged alliances with Pinchin Denny, the stockjobbing firm, the Target Life fund management group and, only last week, with Pember & Boyle, the leading gilt-edged broker.

It seemed natural that Mr Robin Leigh-Pemberton, Governor of the Bank of England, would chose Mr Mackworth-Young to join the advisory group of senior city figures asked to help shape the structure of self-regulation for the London financial markets. Mr Leigh-Pemberton doscribed him last night as "one of the City's foremost public servants."

He leaves a wife and four daughters.

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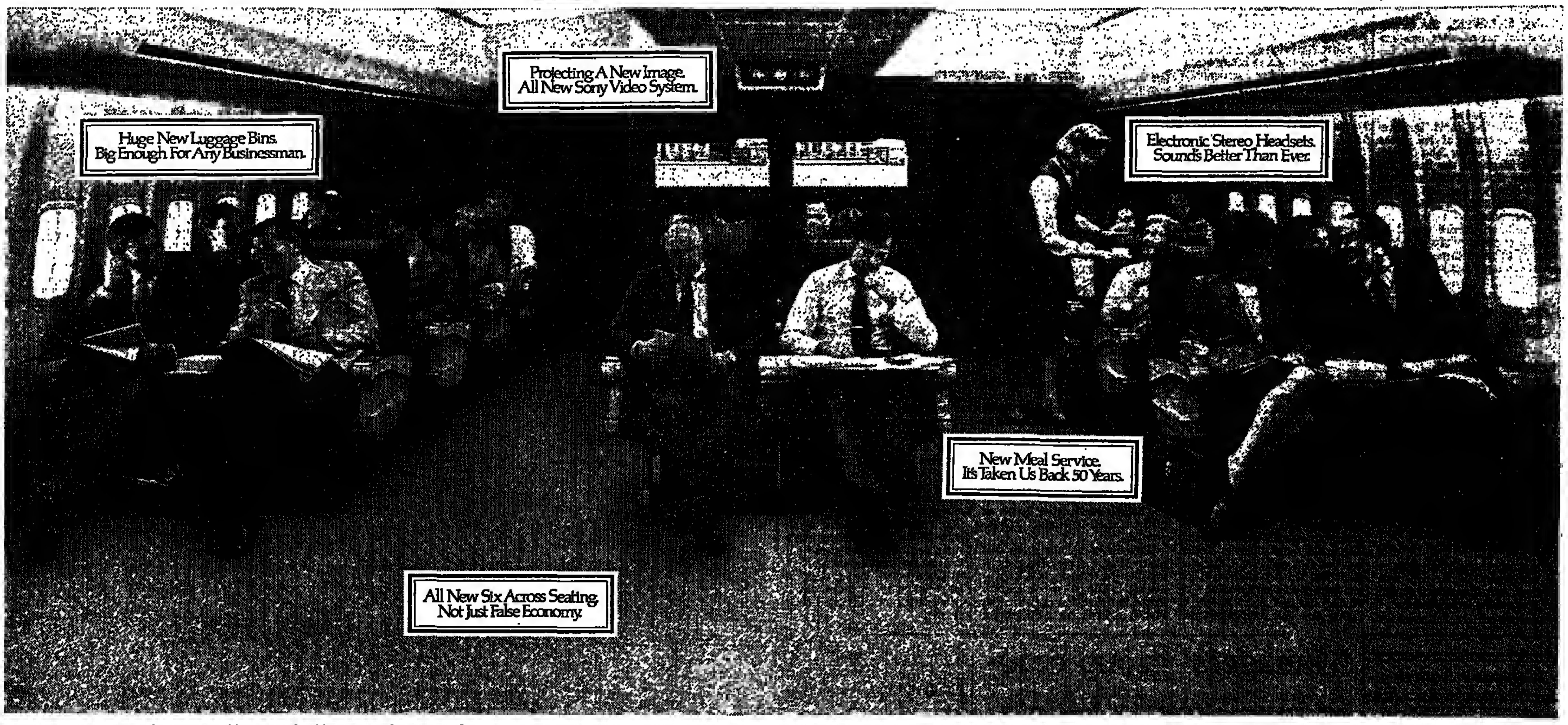

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TECHNOLOGY

EDITED BY ALAN CANE

REPORT FINDS UK SPACE AMBITIONS DISAPPOINTING

Britain lags in industrial space

BY PETER MARSH

BRITISH industry has shown a *disappointing* lack of interest in the possibilities of doing commercial work aboard a space station of the kind that international space community, led by the U.S., is planning for tha 1990s.

That is the conclusion of a report for the Department of Trade and Industry from PA Technology, the technical consultants. The department commissioned the report to help it to decide on the response the UK should make to the offer by the U.S. Government to join in the project to construct the orbiting base.

According to PA, low-gravity work in space has potential benefits in three key areas: research into new forms of *semiconductors; preparation of* protein crystals and better understanding of processes in work whose main applications could be the improvement of ground-based industries.

Dr Geoffrey Roberts of PA says: "Industry is gradually starting to acknowledge this *potential (of work in space)* but to date has had little incentive to invest. The level of work carried out which could have encouraged investment has been inadequate both in quantitative and qualitative terms.

"Also it will be necessary to modify the philosophy of UK *industry to encourage longer* term strategies as exemplified by other organisations such as the large trading companies of Japan."

President Reagan has asked Britain, together with other West European nations and Canada and Japan, to add to the $8bn that the U.S. has already allocated to the space station. Western Europe could contribute up to $2bn, of which Britain's share could be $300m.

In return, aerospace companies in these countries would take a share in designing and building parts of the base, which would accommodate six to eight people and house laboratories for work in low gravity as well as high-power sensors to scan the earth's surface and atmosphere.

Western Europe, under the auspices of the European Space Agency, has to decide by next year the outline of how it intends to collaborate with the U.S. This is to fit in with the plans of the U.S. National Aeronautics and Space Administration, which is due to begin its own detailed design studies *of the station in mid-1985.*

In theory, the laboratories aboard the space structure could be rented out to companies, for example in the chemical or materials-processing industries. In these workshops, engineers could work in a vacuum and with the *forces of gravity stripped away.* Under such conditions, it may be possible to develop materials either impossible or difficult to manufacture on the ground.

Work in semiconductor crystals shows promise, according to PA, on the grounds that under the exotic conditions of space, the extent and effect of defects in crystals can be reduced. This is on account of the lack of convection currents in zero gravity that cause imperfections in crystals as they precipitate from solution.

Semiconductor materials grown in this way could see applications where designers require virtually perfect crystals for use in high-speed electronic circuits, for example in military work or telecommunications.

Engineers in the U.S. have pinpointed gallium arsenide as one semiconductor material that, if grown in space, could see high demand from the electronics industry.

But the PA report warns that work to produce such crystals will be by no means cheap. Even where a space "infrastructure" has been set up—in other words government cash has paid for a laboratory aboard a space station or space shuttle — the cost of a single experiment could be $20,000. To this would have to be added a further $200,000 for support work on earth.

In the production of protein crystals, work in space could bring major benefits to companies that produce enzymes and other biomaterials. Experiments in sounding rockets have produced crystals that grow faster than in conditions on the ground. Also, as a result of the lack of gravity (*which may* cause big structures to collapse under their own weight) the crystals can be up to 20 or so times larger.

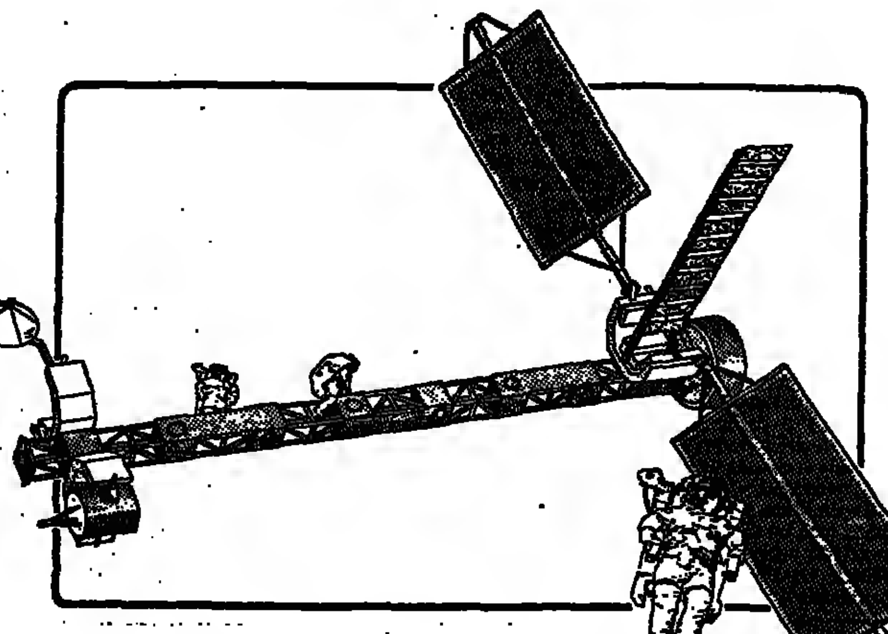
The final area of space work which shows potential concerns research to understand better processes in earth-bound industry. Studies in a microgravity environment can provide, for example, detailed knowledge about the forces that influence combustion in work that could help companies such as those that produce diesel engines.

Other research could shed new light on tribological studies —in which the behaviour of bearings and impact of surface-tension effects can be analysed —and in work to measure the impact of corrosion.

The PA team had no brief to examine other areas of work that could be carried out on space station, studies of the earth's surface with sensing instruments, for example. This is despite analysis in the U.S. that this kind of research could be more important, both scientifically and commercially, than efforts to produce new materials under low gravity.

That was the view of a panel of the U.S. National Academy of Sciences which in a report* says "materials science and engineering should not be used as a primary justification for a space station." Among the areas of applications that the panel thought promising was work in new forms of satellite communications. This would feature very large antennas that engineers could construct aboard the orbiting base.

* *Practical Applications of a Space Station*, National Academy Press, Washington.



This free-flying space platform, designed by British Aerospace, could act as a base for experiments above the atmosphere—but so far UK industry has shown little interest in such studies

OFFICE EQUIPMENT

How IBM's typewriter 'paints' on paper

THE TYPEWRITER world was a little underwed by IBM's latest family of electronic machines, launched earlier this week (see Thursday's FT). But then the personal computer world was hardly overexcited about the PC when it was launched, so the Olivettis, Olympias and Canons of the world can hardly sit back on their laurels.

What they seemed to impress them least was the level of new technology in IBM's latest offerings. Sure enough, most of the features of the Superselectric I and II are standard these days, but the heat transfer technology used on the Thermotronic I is novel and interesting.

Where the IBM machine differs from conventional thermal printers is the way it makes use of heat; conventional machines melt ink from a carrier onto the paper using direct heat. As IBM puts it rather snootily: "This produces a print of average quality."

Heat transfer technology involves a four-layer ribbon: a polymer material, an aluminium conducting layer, an easily melted layer that permits the release of ink and a film of ink.

The printhead contains 40 tiny electrodes; it does not heat up itself but transfers energy to the ribbon.

To print a character, the print mechanism presses the ribbon against the paper. The printhead electrodes contact the resist layer and apply small electrical charges that travel *through* it to the *aluminium* layer, where local heating results in the melting of tiny areas in the release layer. The character is therefore "painted" onto the paper.

To correct mistakes, the print head applies a smaller charge to the ribbon so that the release layer *becomes simply* tacky rather than melting.

The incorrect character adheres to the ribbon and is lifted off the paper. These corrections are virtually undectable as the character is not pressed into the paper.

POINT OF SALE SYSTEMS

Nixdorf curries favour

CURRYS GROUP, the UK's biggest High Street electrical retail chain, has ordered an advanced point-of-sale (POS) system from Nixdorf, Germany's leading computer manufacturer.

In one of the largest POS projects to be unveiled for some time, Currys is to equip all 567 branch stores in the UK. The full network, which involves the installation of some 900 terminals (the model 8812/10) and 600 administrative systems, is scheduled for completion by the end of 1986. The order is worth £3.2m.

Currys Group is the holding company for three retailing chains — Currys, Bridgers Discount and Carousel Colourhire. Phase one of the project is complete, with 18 terminals installed in the three chains.

POS *terminals* act as electronic cash registers, accepting cash and providing receipts for the customer, but are also able to collect sales data and categorise it in various ways, allowing store proprietors to see what lines are selling well and whether stock needs replenishing.

The POS terminals will have local price look-up files. This means that the assistant does not have to know the price of the product — the machine will look it up automatically and ring it up. Credit card readers will be built-in.

In addition, the terminals *will* have alpha-numeric keyboards allowing the names and addresses of customers to be entered — a requirement in stores selling TV sets since the licensing authority has to be notified of the sale.

The administrative systems will have a seven inch screen, typewriter keyboard and a small printer. They will be used for compiling rental and credit *agreements* in each of the branches.

A central Nixdorf computer at head office will poll the store terminals every night to collect details of the day's transactions.

Stock control

Just the ticket!

A SIMPLE low cost visual stock control system for fashion and clothing retailers called At View has been launched by Retailer Computing of Greenwich, London.

When garments, for example, are sent out to branches, they carry a red ticket; on arrival at the branch, the tickets are removed and kept as a tally of what is in stock. As the garments are sold, the staff substitute a white ticket for a red one.

The retailer can see at a glance which brands are selling best, which need to be re-ordered and which are the sales laggards. The white tickets can also be sent to *Retailer Computing to provide* the central management with information about relative branch performance, overall stock position, and the best way to transfer stock between branches. More on 01-858 3446.

Electronics

Camera without film

PANASONIC, the Japanese consumer electronics company, has developed a camera that takes colour pictures without film, using television techniques and storing the picture in digital form on a magnetic disk.

The company emphasises that the camera will not go on the market for two years and no price has yet been set for it.

The camera weighs 1kg (2.2 lb) and the disk can store up to 25 shots which can be immediately displayed on a normal television set. It is also possible to make prints of the pictures in about 90 seconds on a separate printer. A text adaptor can be added that allows the pictures to be annotated with text.

Sony announced a similar development in 1982, the Mavica camera, which held 50 pictures on a disk. It subsequently revealed a printer that used a thermal head and a print medium which used heat-sensitive dye-release agents.

Robotics

Machine follower

SELSPINE, a Swedish company represented in the UK by G. V. Planer of Sunbury-on-Thames, has deve*loped* a system that will check the movements of a robot by following the paths of light emitting diodes attached to the machine.

The cameras are equipped with special optoelectronic detectors which convert the paths of the light sources into co-ordinates in two planes at right angles to each other. A complete three dimensional plot is thus obtained, and the results can be shown numerically and graphically.

Ford and Renault have already bought the system, and Volvo is using it to match robots to specific tasks. More on 09227 86262.

Medicine

Finger on the pulse

HEALTH TECH of High Wycombe is attempting to sell to jogging huffs a tiny microcomputer that fits onto a finger like a thimble and monitors pulse rate.

The £64 instrument was developed in the U.S. for use in hospitals. It shows how fast the heart is beating during exercise and the time it takes for the pulse rate to slow down after exertion—a useful indicator of a person's state of fitness.

Clive Capps, managing director of the company, has taken to heart the cause of fitness and has run 1,000 miles in the past year, wearing out three pairs of running shoes.

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ANGLO AMERICAN CORPORATION

FINAL DIVIDENDS — FINANCIAL YEARS ENDED SEPTEMBER 30 1984

On October 18 1984 dividends were declared in South African currency payable on December 14 1984 to members registered in the books of the undermentioned companies at the close of business on November 9 1984, and to persons presenting the relevant coupons marked "South Africa," detached from share/stock warrants to bearer.

The transfer registers and registers of members will be closed in each case from November 10 to November 23 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about December 13 1984. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on November 12 1984, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the companies' transfer secretaries in Johannesburg or in the United Kingdom on or before November 9 1984.

Holders of share/stock warrants to bearer are notified that the dividends are payable on or after December 14 1984, upon presentation of the respective coupons (marked "South Africa") at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Bruxelles Lambert, 24 Avenue Marnix, 1050 Brussels, Belgium, only. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	Rate of dividend per share/unit of stock
Free State Geduld Mines Limited	55	56	230 cents
President Brand Gold Mining Company Limited	59	61	200 cents
President Steyn Gold Mining Company Limited	59	60	240 cents
Western Holdings Limited	59	—	315 cents

The attention of holders of stock warrants to bearer in President Brand Gold Mining Company Limited is directed to the separate notice published in conjunction herewith regarding the arrangements made for them to obtain new sheets of coupons numbered 62 to 81, inclusive.

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
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per C. R. BULL
Divisional Secretary

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Johannesburg
October 19 1984

Art Galleries

Clubs

UK NEWS

BL chief urges higher local content in UK cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE NUMBER of British cars with a UK content of at least 80 per cent had fallen from 72 per cent of the total sold in 1973 to only 32 per cent last year, Mr Harold Musgrove, chairman of BL's Austin Rover subsidiary claimed yesterday.

He insisted that 80 per cent domestic content – measured by ex-factory price – was the minimum needed to preserve the motor industry in its entirety in Britain. Anything less would exclude high technology components and would not be adequate to preserve a broadly-based component supply industry.

Mr Musgrove argued that domestic content indicated a country's ability to compete in any particular industry.

"Low domestic content suggests either a newly established industry which is learning from others or a mature industry which has let its skills fall into uncompetitiveness and decline."

Speaking at a conference in Birmingham organised by management consultants A.T. Kearney and the Economist Intelligence Unit Mr Musgrove said the UK manufacturers had to narrow the gap in productivity between continental European plants and particularly those of the Japanese. "And the component industry, with our assistance, must come along with us if it is to maintain a meaningful local content within the industry."

He maintained that the motor industry was worth preserving as today it was a vehicle for change and a catalyst for technological advance, "soaking up technological advances in product and production innovation like a sponge – making quantum leaps forward in areas like data base engineering, programmable automation and robotic applications."

● Politicians and "those goons sitting over in Brussels" would destroy the European motor industry, cost 3m to 4m jobs and leave consumers with only Japanese or East European cars to choose from, Mr Sam Toy, chairman of Ford of Britain told the conference.

Although he is well known for expressing himself in strong terms, Mr Toy's outburst showed that the British manufacturers are becoming increasingly impatient with the European Commission's plans to harmonise tax free car prices throughout the Community.

Tempers have become frayed recently because, according to industry executives, a battle within the UK Department of Trade and Industry between supporters of consumer interests – arguing in favour of the EEC proposals – and those who stand against the price proposals has been won by the consumer lobby, apparently because Mrs Margaret Thatcher, the Prime Minister, gave it her support.

Healey says world economies face new threat of recession

BY IVOR OWEN

MR DENIS HEALEY, the Labour Party's Shadow Foreign Secretary, yesterday emphasised the danger of a new world recession in a speech to the American-European Community Association at The Hague.

He described the economic recovery that had taken place in Europe as "comparatively feeble." He argued that, as most European governments planned to tighten their fiscal policies, and growth in the U.S. was expected to halve next year, "we could soon be entering a new recession."

Mr Healey, a former Chancellor of the Exchequer, said that the worsening international debt crisis threatened to unleash dangerously disruptive forces. He feared that the political strains imposed by International Monetary Fund (IMF) adjustment programmes on Latin America might lead to revolution or default on a large scale, unless Western governments instructed the IMF to turn a blind eye to the failure of debtor governments to meet their performance targets, expect those related to balance of payments.

Growing protectionism and recession in the industrial world might even prevent balance of payment targets from being achieved, he stressed.

Mr Healey said that against that background he found it difficult to become excited by the European complaints about the size of the U.S. deficit. He insisted, "Europe would benefit more by asking itself why America's economic performance has been so much better than its own, and by taking more advantage, as the Pacific countries are already doing, of the export opportunities offered by the U.S."

Pension managers 'slow to respond'

By Clive Wolman in Madrid

SLOWNESS of UK pension fund managers in making use of financial futures, options and other recent financial instruments was criticised yesterday by Mr George Dennis, director of securities at Postel, the UK's largest pension fund with assets of £7bn.

Mr Dennis, in a speech read out in his absence to the 13th European Congress of Financial Analysts in Madrid also criticised government and City of London proposals for a reformed system of investor protection based on self-regulation.

He praised the "flexibility" of the U.S. investor protection system, based on government regulation and legal controls. It ensured, that control procedures could evolve probably faster than elsewhere because there was a legal framework, he said. Tight control procedures, harmonised between different world financial markets were necessary to permit the rapid development of those markets.

Mr Dennis cited the findings of Mr Kenneth Arrow, the Nobel Prize-winning economist, which demonstrated, that the use of options, short-selling and other speculative activities increased a nation's wealth. That, he said, countered "the naive notion that speculation was some worthless form of gambling."

Mr Walter Stern, vice-president of Capital Research Company, of the U.S. said American pension funds were experiencing a "shake-out" prompted by substantial underperformance of most of the active fund managers.

State contribution

STATE-OWNED industries contributed a record £3,005bn to the balance of payments in 1983-84. The earnings were generated in more than 100 countries as a result of exports, consultancy and project management contracts, and the provision of services.

MANAGERS STRIKE A CAUTIOUS NOTE

Doubts over benefits of financial mergers

BY ALEXANDER NICOLL

THE PRESENT spate of amalgamations between merchant banks, brokers and other financial institutions may not produce groups best equipped to cope with the needs of reformed financial markets, Mr Peter Grant, vice-chairman of Lazard Brothers, the merchant bank warned yesterday.

Addressing a conference in London on "Management Strategy for the Financial Services Revolution," organised by the Financial Times in association with the Banker journal, Mr Grant forecast a bright future for specialised institutions with a small capital base.

"I think that putting together old style firms, two, three, or four of them, into a new combine and expecting them to operate as one new-styled firm is a difficult proposition and one which has an analogy in trying to build one new car out of four old bangers," he said.

Alongside the conglomerates, there would continue to be "the specialists who do not want to be the back wheel of a reconditioned Morris Minor or Ford Model T," Mr Grant Predicted.

Most other conference participants struck a cautious note in predicting the effects and requirements of the revolution in financial services. Many paid special attention to the impact of technology.

Mr John Quinton, the day's chairman and senior general manager of Barclays Bank – which has formed a link with stockbrokers de Zoete & Bevan and jobbers Wedd, Durlacher, Mordaunt – forecast that "the prudent banker will not carry diversification too far and that he will not venture into areas too far removed from those in which he has professional experience and expertise."

Banks would follow a three-fold strategy over the next 10 years, Mr Quinton suggested. They would

● Seek to increase efficiency and reduce costs, especially through money transmission services. The next stage in this would be point of sale transfers. "Banks are now close to the establishment of a joint nationwide scheme which will be in operation within two or three years."

● Concentrate in serving particular segments of the market, such as the "high net worth individual."

● Diversify into new products, such as cash management and home banking.

Lord Bruce-Gardyne said there were two key questions to be answered. Would small companies be assured of a satisfactory secondary market for new shares? And would the new gilts market assure the Government of the ability to fund its debt in both good times and bad?

"If the new environment can positively answer these two questions, then we have nothing to fear from it," he said.

Sir Kenneth Berrill, chairman of stockbrokers Vickers da Costa, which has formed a link with Citicorp and Scrimgeour Kemp Gee, forecast difficult times for medium-sized brokers who have not found outside shareholders, especially those with a large amount of gilts business – likely to be threatened by the new primary dealerships.

FINANCIAL TIMES
Financial Services Revolution
CONFERENCE

Small local brokers would probably continue to flourish through greater penetration, Sir Kenneth said. But the gap between medium and large brokers, with boosted capital, was likely to widen. He forecast mergers between medium-sized brokers.

Mr Joao Ribeiro da Fonseca, Visa International's chief general manager for Europe, the Middle East and Africa, called on the European banking industry to agree on technical standards allowing a global commitment to electronic funds transfer at point of sale (EFTPOS).

"The future of banks will depend on their ability to provide global telecommunications networks to serve their customers. Individually, banks do not have the reach to provide such global systems. Their future depends on their willingness to cooperate in joint ventures with other banking organisations."

Dr Karl-Herbert Schneider-Gaedicke, a managing director of West Germany's DG Bank, forecast a decline in the number of bank branches in Germany as a result of automation and home banking. But this could be limited by consumer opposition. "One day someone is sure to come up with the slogan: 'The bank where you are served by a person, not a robot,'" he said. West Germany's financial services revolution, however, was hampered by a ban on futures trading.

Mr Michael Bliss, joint managing director of Welbeck Financial Services, said the development of financial services by the big store groups was under way, though still embryonic and far from the one-stop shopping concept already achieved by groups such as Sears Roebuck in the U.S.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
19	20	21	22	23	24	25

Exhibitions

ITALY

Venice: Museo d'Arte Moderna di Ca'Pesaro Egon Schiele: 1890-1918. Almost all works of this extraordinary painter. This exhibition was at the Campidoglio in Rome earlier this summer. Ends Nov 25. Open from 10.00am to 7.00pm (closed Monday).

Florence: Palazzo Strozzi: Fortuny and the Belle Epoque. Twenty rooms hardly contain the exuberant artistic activity of Mariano Fortuny in the first few years of this century. Notable among the engravings, Drawings and theatrical design is the fabric he invented – Delphos Plissé - adored by Eleanora Duse. Ends Dec 2

NETHERLANDS

Amsterdam, Rijksmuseum. In this anniversary year of the death of William the Silent (1584) yet another exhibition devoted to the birth of the Dutch republic. Paintings, prints, drawings and manuscripts illustrate the ideals of religious toleration and political freedom that precipitated the 80 years' struggle with Spain. Ends Dec 9.

WEST GERMANY

Hildesheim. Roemer- und Pelizaeus-Museum, 1-3 Am Steine: Max Klinger (1857 to 1920), the painter and sculptor born in Leipzig, has been celebrated as East Germany's answer to Albrecht Dürer. This image is revised here – to lead to a more differentiated view of the artist - with the help of an exhibition comprising more than 300 of his works on loan from the German Democratic Republic, The Federal Republic and Austria. Ends November 4.

Düsseldorf, Tonhalle, 4 Ehrenhof: Americans in Glass, is for the first time in West Germany, with mostly abstract works on and with glass by contemporary U.S. artists. Ends Oct 28.

PARIS

Le Douanier Rousseau: Extraordinary tropical vegetation with exotic flowers, gently poetic images of Paris and its surroundings, dignified portraits of himself and his friends fill Douanier Rousseau's canvases. Self-taught, appreciated by Apollinaire yet cruelly mocked by others, he found an escape from the daily humdrum existence in the dream world of his paintings. Grand Palais, 10am-8pm, Wed till 10pm, closed Tue. Ends Jan 7. (260.39.26).

BRUSSELS

Brussels Parks and Gardens: Drawings, paintings, prints and maps of a fast-vanishing Brussels. The gardens of the Kings House as seen by Dürer in 1520. Fountains, grottoes, pagodas and follies of the private gardens such as Monplaisir, now Schaerbeek Railway Station, and the various views of existing geometrical (and some say Masonic) Royal Park. Banque Brussels Lambert, Place Royale. Ends Oct 30. Guided Tours (517 28 77).

LONDON

The Royal Academy: The Age of Vermeer & de Hooch – the final showing of the splendid exhibition already seen in Philadelphia and Berlin of Dutch genre painting of the 17th century. The major figures, Vermeer, de Hooch and ter Borch, with Steen, Dou and Metsu not far behind, naturally dominate the show. The final room, given over largely to the big three, is worth a visit in itself. The show is full of surprises and unlooked-for treats from the lesser figures, and demonstrates too that "genre" is no narrow and exact category, but one that embraces as much variety of interest and technique as does the everyday which it so affectingly describes. (until November 18).

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

NEW YORK

Metropolitan Museum of Art: Te Maori begins its U.S. tour showing the native treasures of New Zealand, with a rich Polynesian heritage of stone and ivory ornaments, bone and stone weapons and wood carving. Ends Jan 6.

CHICAGO

Art Institute: 20th-century drawings from the superb permanent collection including works by Gris, Beckmann, Mondrian, Miró, Matisse, Moore and Picasso. Ends Nov 11.

Museum of Contemporary Art: Hockney Paints the Stage includes 250 renderings and models of the artist's sets for Rake's Progress, The Magic Flute and the Metropolitan Opera's triple production of Poulenc, Ravel and Satie called Parade. Ends Nov 11.

TOKYO

Price Collection of Japanese prints: One of the most interesting collections of 17th and 18th century prints, the sum of instinctive good taste by an enigmatic collector. Suntory Art Museum, near New Otani Hotel. Ends Nov 4.

Music

PARIS

Ivo Pgorelich, piano: Mozart, Chopin, Prokofiev (Mon). TMP-Châtelet (233.44.44).

Musica Antiqua from Cologne: German 17th and 18th century music (Mon). Salle Gaveau (563.20.30).

Orchestre Colonne conducted by Pierre Dervaux, Gabriel Tacchino, Piano: Rachmaninov, Tchaikovsky (Mon). Salle Pleyel (561.06.07).

Quatuor Ivaldi (Tue). Salle Gaveau (563.20.30).

LONDON

Philharmonia Orchestra conducted by Giuseppe Sinopoli with Robert Cohen, cello. Weber, Dvořák and Ravel. Royal Festival Hall (Mon). (928 3191).

London Symphony Orchestra conducted by Gennadi Rozhdestvensky. Glinka, Prokofiev and Rachmaninov. Barbican Hall (Mon). (638 8891).

Annie Fischer, piano. Beethoven Sonatas. Queen Elizabeth Hall (Tue). (928 3191).

NETHERLANDS

Amsterdam Concertgebouw. On Tuesday the Amsterdam Philharmonic conducted by Ken-Ichiro Kobayashi, with Christian Zacharias, piano, in a programme of Weber, Debussy and Ravel (Daphnis and Chloe). On Wednesday and Thursday the Concertgebouw Orchestra under Herbert Blomstedt, with Silvia Marcovici (violin), performs Bartok and Dvořák (718435).

ITALY

Rome: Teatro Ghione, Via delle Fornaci 37. Trio Musica D'Oggi: Dallapiccola, Turchi and Gentilucci (Mon). (637.22.94).

Rome: Teatro Olimpico: Piazza Gentile da Fabriano: the pianist Mikhail Rudy. Mozart, Schumann, Scriabin and Stravinsky. (Wed) (39.33.04).

ZURICH

Tonhalle: Berg and Stravinsky chamber works (Mon. 6pm); Tonhalle Orchestra conducted by Armin Jordan with Anne-Sophie Mutter, violin. Lalo, Debussy, Debussy/Ansermet and Ravel (Tue, Wed and Thur). (201 1580).

VIENNA

Ensemble Musica Antiqua, led by Bernhard Klebel. Gabrieli, Monteverdi and de Venosa. Museum of Applied Arts (Mon and Tue).

Henryk Szeryng, violin, Harald Ossberger, piano. Brahms, Bach, Bartok, Paderewski and Sarasate. Musikverein (Tue) (658 190).

Kir Stefan choir, Belgrade. Byzantine religious music. Konzerthaus Mozart Saal (Wed) (721 211).

TOKYO

Kocian String Quartet (Czech Music Festival): Haydn, Dvořák and Brahms. Shinjuku Bunka Center (Tue) (225 1881).

Berlin Philharmonic Orchestra, conducted by Herbert von Karajan: Beethoven (Mon); Brahms (Tue); Debussy, Ravel (Wed). Fumonkan Hall. (571 1688)

NEW YORK

New York Philharmonic (Avery Fisher): Myung-Whun Chung conducting, Kyung-Wha Chung violin. Mozart, Dvorak, Prokofiev (Tue); Myung-Whun Chung conducting, Elmar Oliveira violin, Earle Brown, Tchaikovsky, Prokofiev (Thur). Lincoln Center (799 9595).

WASHINGTON

National Symphony (Concert Hall): Michael Tilson Thomas conducting, Mozart, Berg, Strauss (Tue); Leonard Slatkin conducting. Haydn, Tower, Dvořák (Thur). Kennedy Center (254 3770).

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting, Zoltan Kocsis piano. Boulez, Rachmaninoff, Mendelssohn (Thur). (435 6122).

Theatre

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant. (930 2578).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

NEW YORK

Sunday in the Park with George (Booth): Not your conventional musical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring George Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (239 6262).

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430).

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, directed at a fast clip by Mike Nichols. (239 6200).

Glengarry Glen Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with a Pulitzer Prize for his latest work that pits fast-talking real estate salesmen against the world and each other. (239 6200).

WASHINGTON

Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local nemesis in the form of Eli Wallach and Anne Jackson as a Russian diplomat and his unpredictable family. Ends Dec 1. Kennedy Center (254 3670).

King Lear (Folger): The 15th anniversary of the replica Globe company starts off ambitiously. Ends Nov 4. (546 4000).

CHICAGO

Candide (Goodman): The first musical produced at the Goodman since 1978 brings Wheeler's version of Voltaire with the music of Leonard Bernstein and the lyrics of Stephen Sondheim, John Latouche and Richard Wilber. Ends Oct 28. (443 3810).

Stage Struck (Steppenwolf): American premiere of Simon Gray's murder mystery about a stage manager who takes revenge on his actress wife and his psychiatrist. Ends Nov 4. (472 4141).

TOKYO

Death of a Salesman (Sunshine Theatre, Ikebukuro). The Japanese version of Arthur Miller's classic, starring and directed by Takizawa Osamu (978 5281).

Kaiten Ningyo (Mysterious Mermaid) performed by one of Tokyo's leading avant-garde troupes Yume No Yuminsha. A fantastical and very visual piece set in the world of the Old Testament and the search for a mysterious mermaid. Honda Gekijo (493 6511).

The Cherry Orchard Imperial Theatre: Chekhov's masterpiece in Japan. Directed by RSC's Clifford Williams, in residence since August. The Toho Company (213 7221).

Cats (Cats Theatre): Approaching its first birthday and therefore Japan's longest-running (consecutive) play, this Japanese version is worth seeing. Excellent set, good dancing. Kabuki-derived movement. Shiki company, directed by Keita Asari (320-1001).

Kabuki (Kabuki-Za): Matinee contains both spectacular and grisly fare. Tamamoochae, based on the old legend of the demon fox is highlighted by laser lights, mid-air trapeze flying, magic performances. Banzuin Chobei starring Kichiemon has the murder-in-the-bath scene.

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: Tosca has Pilar Lorengar in the title role. Jenufa is conducted by Yaclay Neumann and has Garbriela Benackova making her Berlin debut in the title role. La Traviata is sung in Italian. Don Carlos is a Gustav-Rudolf-Sellner production. (34381).

Hamburg, Staatsoper: Madame Butterfly has fine interpretations by Yuko Watanabe and Juan Lloveras in the main parts. Der Freischütz, produced by Götz Friedrich, has Robert Schunk brilliant in the part of Max. Zar und Zimmermann rounds off the week. (351151).

Cologne, Opera: Muriets, composed for the Cologne Opera by Jens-Peter Ostendorf, a young German, is based on Neruda's drama Death and Glory. It describes the life of a Chilean immigrant in California. The musical director is Stuart Beford. Further performances are Die Entführung aus dem Serail, Die Verkaufte Braut with Hans Protschka and Tosca. (20761).

Munich, Bayerische Staatsoper: Don Carlos has Mara Zampiere and Ruggero Raimondi outstanding in the leading parts. La Cenerentola convinces thanks to Agnes Baltsa in the title role. It is a Jean-Pierre Ponnelle production. (21851).

SALOME

Bonn's opera, which has so miraculously risen to European standard over the last few years, has opened the season with a superb Salome staged by Seth Schneidmann, a guest producer, and directed by Gustav Kuhn, the city's new musical director.

Hildegard Behrens's Salome is an event – both from the vocal and from the dramatic and aesthetic points of view. Helga Dornesch as Herodias and Bernd Weikl as Jochanaan also excel. Save for the setting, old-fashioned and cluttered, there could be no complaints.

Further treats in store in Bonn this winter: Titus, Andrea Chénier, Parsifal, Medea as well as Cinderella and Giselle. (0228) 773666 (day); 773668 (evening).

ITALY

Venice: Gran Teatro la Fenice: Orfeo ed Euridice by Gluck, conducted by Gabriele Ferro with scenery and costumes by Pasquale Grossi and choreography by Jorma Uotinen. (25.181).

VIENNA

Staatsoper (5324/2655): The bartered Bride; La Traviata with Gruberova; Lulu with Fassbänder, Adam and Hotter; The Magic Flute with Mathis, Rysanek, and the Vienna Boys Choir.

Volksoper (5324/2657): Vienna Blood, The Merry Wives of Windsor.

LONDON

Royal Opera House, Covent Garden: Carmen, a decade-old production now beginning to show its age, introduces to London the title-role performance of Teresa Berganza (of whom the same might be said); José Carreras, Valerie Masterson and Giorgio Zancanaro are the other principals, and Jacques Delacôte conducts. Last in the series of the dismal new Tannhäuser, fitfully redeemed by Gwyneth Jones and Thomas Allen, rather less by the conducting of Colin Davis. (240 1066).

PARIS

Macbeth conducted by Georges Prêtre in Antoine Vitez' new production with Renato Bruson alternating with Franz Grundheber in the role of Macbeth and Shirley Verrett alternating with Ghena Dimitrova in thet of Lady Macbeth. Prokofiev's Romeo and Juliette conducted by Robert Irving in Rudolf Nureyev's choreography and production where the contradictions of violance and poetry, love and aggressivity, renaissance splendour and abject poverty create a full-blooded drama. Romeo is danced by Patrick Dupond / Charles Jude / Jean-Yves Lormeau, Juliette by Monique Loudieres / Florence Clerc / Claude de Vulpian, Mercutio by Jean-Pierre Franchetti / Patrice Bart / Rudolf Nureyev. Paris Opera (742.57.50).

NEW YORK

Metropolitan Opera (Opera House): The season's first La Bohème is performed this week in the local conducting premiere of Placido Domingo, as well as Jean-Pierre Ponelle's new production of La Clemenza di Tito conducted by James Levine and starring Renata Scotto, Tatiana Troyanos and Kenneth Riegel; James Levine conducting August Everding and Ming Cho Lee's production of Lohengrin with sopranos Anna Tomowa-Sintow and Eva Marton; Nello Santi conducting Rigoletto; Neeme Jarvi conducting Eugene Onegin and Julius Rudel conducting Otto Schenk's production of Les Contes d'Hoffmann. Lincoln Center (362 6000).

CHICAGO

Lyric Opera (Civic Opera): The company's 30th season opens with Eugene Onegin conducted by Bruno Bartoletti with Mirella Freni as Tatiana and Wolfgang Brendel in the title role in Pier Luigi Samaritani's production; and Willy Decker's production of Arabella with Kiri Te Kanawa in her local debut and Ingvar Wixell as Mandryka, conducted by John Pritchard. (332 2244).

NETHERLANDS

Amsterdam, Carre Theatre. All week (except Mon) the extremely successful revival of the National Ballet presentation of Romeo and Juliet, choreographed by Rudi van Dantzig and with decor by Toer van Schayk. In tha title roles Jeanette Vondersaar and Lindsay Fisher / Alexandra Radius and Henny Jurriens / Katalene Borsboom and Fred Berlips. Sun and Wed are matinee performances. Advisable to book. (225225).

TOKYO

Kodo (traditional Japanese dance and drums) in their first large-scale series of performances on home ground after successes abroad. Dynamic and visually-appealing group. Theatre Apple, Shinjuku. (Tue, Wed, Thur). (237 9999).

American Ballet Theatre: Gala concert. Choreography: Mikhail Baryshnikov; Dancers: Fernando Bujones, Patric Bissell, Susan Jaffe, Marianna Tcherkassky and others. NHK Hall. (Thur). (723 2356).

The Green Table, a classic ballet originally staged in 1932, being performed by Tanz Forum from the Cologne Opera as part of the European Ballet Festival in Brussels. The festival, which started last week and continues to the end of the year, will include ballet from France, Italy, Germany and the Netherlands, culminating in a new work by Maurice Bejart to mark the 25th year of the Twentieth Century Ballet Company.

Cinema/Nigel Andrews

Dreamers and destroyers

Where the Green Ants Dream, directed by Werner Herzog
The Natural, directed by Barry Levinson
Conan the Destroyer, directed by Richard Fleischer

Werner Herzog's *Where The Green Ants Dream* is environmentalism gone mystic. Deep in the Australian desert, where giant anthills poke up through the heat shimmer, a tribe of Aborigines resist the intrusion of a mining company. This land, insists the natives' spokesman as they sit placidly immobile in the path of the bulldozer, is where the "green ants" sacred to their religion and mythology dream. With oneiric eyes and pug-nosed faces the Abos stare impassively at the invaders; and the invaders can only splutter, cajole and occasionally yell at them back. "Green ants?" exclaims exasperated tinhat Ray Barratt to the natives' interpreter, "Dreaming? Here? Why the f— don't they dream somewhere else?"

Herzog has lugged his mystical baggage from Bavaria via South America (*Fitzcarraldo*) to Australia. But though his film has moments of high comedy and crackpot poetry, much of it is a frivol in search of some point and passion. A film-maker who scans the world for holy fools and mystic misfits — the Stroszeks and Wozzecks, Kaspar Hausers and Aguirres — is bound to have his antennae tweaked by Australia, where the immovable object of Aborigine folklore and superstition meets the pugnacious materialism of the new colonists.

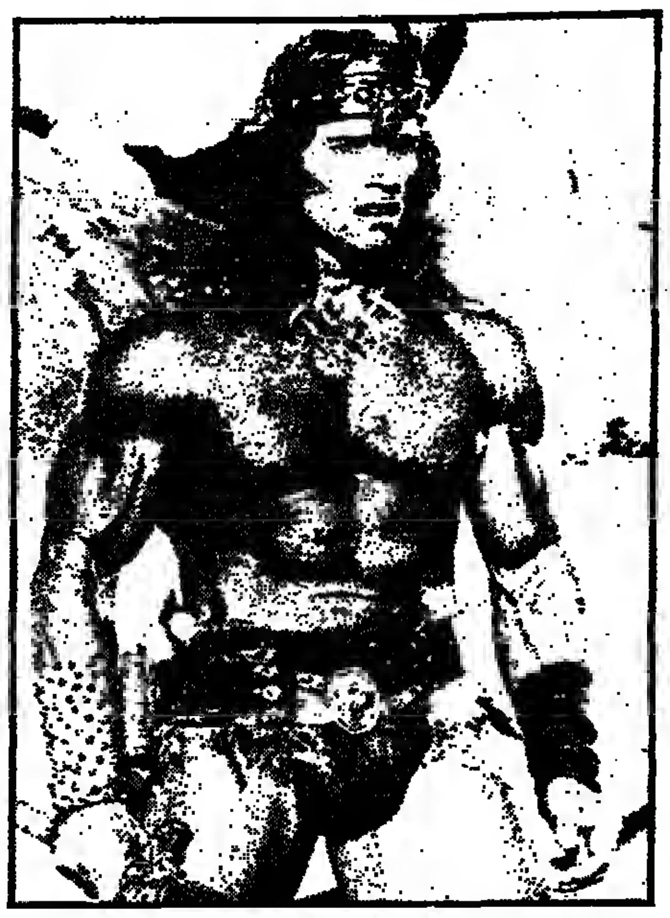
Herzog throws a middle-man hero into the story—lanky Bruce Spence (the snake-catching giro flyer in *Mad Max 2*) as a mine company radio operator sympathetic to the natives—and then looks on as the struggle spirals: first into acts of patient sabotage by the protesters, then to a court case in the big city, then to the gift of a plane to bribe the Abos (hopefully) into submission.

But Herzog, twiddling the knobs of his genius, can't seem to tune it properly these days. *Green Ants* is too thin and squeak where *Fitzcarraldo* was too loud and crackly. The comedy of high-tech malfunction when the Aborigine leaders are hosted round the city by the trying-to-be-nice mine executves —lifts jam, digital alarm watches misbehave, etc.—is too simple-minded in its irony. And out in the deesrt even Herzog's usually dependable comic nonsequturs (the little old lady whose dog disappears into a cave and who pitches camp with picnic chair and umbrella waiting for him to re-emerge) are winsome rather than winning.

It's a film of brief snatched pleasures where the deadpan moments are the most delicious: the scene of the Aborigines sitting in ballowed huddle by the detergent shelves of a supermarket because this was once the site of the desert's only tree, or the sumptuous trackings of Jorg Schmidt-Reitwein's camera along a shimmering desert of pink and gold.

*

Better a mystic miss from Herzog than a semi-deranged strike-out from Hollywood like *The Notural.* Bernard Malamud's original novel was e purplish but powerful fable about Good and Evil. Set in the world of sports, it showed how a born winner—rising baseball ace Roy Hobbs, whose career is nipped by a mad lady's bullet at 24 but who returns at 39 to become the oldest and most lauded "rookie" in the game—can also be a born loser. Hobb's "second coming" as a sportsman is spectacular (he takes his team to within a whisker of winning the league) until lightning fatally strikes twice, he succumbs to a second "temptation" and tragedy again cuts short his career.



Arnold Schwarzenegger as Conan

No such grim brew as this, however, will do for screenwriters Roger Towne and Phil Dusenberry or director Barry Levinson. They've turned the book into a Bayeaux tapestry of baseball which Robert Redford gallops through, swinging his bat "Wonderboy," flashing his wonder-teeth and guiding the New York Knights to victory even as the crowds roar, the thunder crashes overhead and Glenn Close (his childhood sweetheart returned to inspire him) keeps standing up in the terraces, picked out by rim-lighting like an Angel of Mercy with her very own battery-powered halo.

Malamud's novel is written in a giddying prose purpose-styled for a story about the precipice of success, the vertigo of heroism (in life as in sport). But in the film there is no sense of vertigo. After the early frisson of the young madwoman's bullet (Barbara Hershey in spidery black with a grin like a sexy death warrant), it's all inspirational comeback stuff, whose token hiccups and heartaches never once look like endangering the assured happy ending.

Meanwhile s staunch crew of supporting sctors come and go talking of Joe Di Maggio: Robert Prosky's evil fat blob of a team chairman, Robert Duvall in scowling form as a muck-raking reporter, Kim Basinger as the phase-two *femme fatole* and Wilford Brimley with a face lake a burnt-out pumpkin as "Pop" the team manager. Bot busy and admirable as they are, these are mere acolytes scurrying around in the path of the high priest himself, Robert Redford. And on the evidence of his bland blond saintliness here, Redford ought quickly to make a change of pace—perhaps playing the Boston Strangler or Lucrezia Borgia—beforehe disapears into a discarnate Heaven and becomes too holy fo rthe movies altogether.

*

Last and least in an unyeasty week is *Conan The Destroyer.* This succeeds *Conan the Barbarian* as the latest example of the movie mythmonger industy playing with itself. Conanism is of course a dangerous habit. As well as making you blind if you do it too ofrten, it can spoil your ability t oform relationships with real movies.

You tend to get stuck in fantasy grooves where you need the artificial stimulus of lines like —"It is written in the scrolls of Scellus" or "Let us ride to the Castle of Tupperware." (I may have misheard this last one.)

In *Conan the D* there are the usuay wizards, palaces, ogres, slaves, chases, torture chambers and horseback fights; all coming down in this film with a bad case of the diminishing returns. But Arnold Schwarzenegger's Conan still looks as if he could tear a telephone directory in half, even if he couldn't read one, and Grace Jones as the warrior Zula combines Gloria Swanson's jew with Jack Palance's cheekbones a winning combination.

*

Exhibitions, export drives, roadshows, competitions, improvements in education and cinema exhibition are but a few of the treats promised in 1985 for the British Film Year.

Given dry weather and favourable conditions, yesterday's Press conference, introduced by Norman Lamont MP from the Ministry for Trade and Industry and featuring hortatory speeches from such as David Puttnam and Colin Young, may well light the blue touch-paper to a pyrotechnic year for British cinema. And although bureaucratic and organisational efforts do not necessarily help to fire the energies of the person most needed for a movie revival — the film-maker — the team behind British Film Year, led by Sir Richard Attenborough, is a varied and enthusiastic one, with experience behind the camera as well as in the corridors of finance end administration.

What they and we should guard against is building too much on the nostalgia factor in British cinema. "The Revival Years" is the title given to a group of films to be sent skimming round the land during British Film Year — and including such 80s favourites as *Chariots of Fire* and *Gandhi*, *The Elephant Mon* and *The Dresser* — which perilously suggests to me that we're already turning this decade's "renaissance" into a portable museum of the past rather than feeling it as an engine of the present.

But other schemes and plots afoot among the B.F.Y. organisers are admirable: especially the educational ideas proposed by Colin Young — greater access to films snd film studies for students and schoolchildren of all ages — and the notion of a travelling exhibition, including demonstrations of film-making techniques and film arts such as make-up and special effects. With flair, tenacity and a little luck, the British Film Year will silence those ravens who croak of doom in our native industry (and I've done a fair share of croaking myself) and prove that anything Hollywood can do Britain can do, if not better, at least for the time being as well.

Six Men of Dorset/Cheltenham

B. A. Young

The 7:84 Company has interrupted its run at the Shaw (not resumed until the 27th) to play *Six Men of Dorset* for two nights at the Shaftesbury Hall in Cheltenham as part of the Festival of Literature, and two packed and enthusiastic nights they were. If the Arts Council has withdrawn its subsidy to this company on political grounds, it should realise that it is also betraying the cause of art that it nominally stands for.

The play, by Miles Malleson and Harry Brooks (a working railwayman) was written in 1934 to mark the 100th anniversary of the trial of the "Tolpuddle Martyrs." These were six farm workers who formed a union lodge in 1834 to protest against the inadequacy of their wage of seven shillings a week. They were arrested to gratify the farmers, under an irrelevant Act, for administering what was held to be an illegal oeth. The Illegal Oaths Act of 1797 was aimed at people sowing disloyalty among the sailors of the Fleet.

George Loveless, whose manifest honesty glows in Paul Moriarty's performance, first gathers some like-minded men to confront the farmers with a respectful request to put them up to 10 shillings a week, as paid in neighbouring Hampshire. They are supported by the local squire, and only when such promises as have been made are broken does he form a union.

He makes beginner's mistakes. A religious and loyal man, he has a Bible on the table at his meeting, which he ends with a hearty "God save the King"; but he treats his union with Masonic secrecy. When Edward Legg (William Hoyland) is admitted, he has to swear not to disclose the proceedings; and though he remembers little and understands less, he is the key witness at the subsequent trial. Defence counsel (Chris Tranchell) makes the best of his case, but the summing-up by the judge (Allan Surtees) is biased, the jury finds all the prisoners guilty and they are sentenced to seven years transportation.

The rest of the play shows isolted flashes of what came after—Loveless embarking on the transport ship, prisoners telling of their sufferings in Australia and, on the other side of the coin, sympathisers organising a petition for release, culminating in an offstage demonstration that leads to a song of liberation in which some of the audience half-heartedly joined.

Pam Brighton's direction ensures a powerful evening, the two dozen parts taken by half as many players. Occasionally they talk more like union officials than farm labourers, but the general effect is truthful. Geoff Rose's design is on two levels, a small panelled room above, for indoor scenes, and an open-air stretch below.

John McGrath has salted his adaptation with songs, half-religious, half-defiant, that are sun with tuneful energy. Whichever side of the political argument you are on (and Mr Kinnock's notes in the programme show which side the company is), this is an exciting evening.

Blockheads/Mermaid

Martin Hoyle

"I dunno, but there's something missing," mutters the director of the first team-effort from Laurel (reluctant, with a stsr-complex) and Hardy (easy-going, indolent). In fact, it's the bowler hats. Their advent ends Act I of tha new musical with the stars frozen in well-loved silhouette.

I don't know, either. This patchy, likeable work has its moments, but lacks dramatic tension. Alexander Peskanov's music is always immediately attractive, and in "Sad happy" he provides the fat man, a sociable wallflower lamenting his loneliness, with a bitter-swet ballad of haunting appeal. Hal Hackady's lyrics are neat and nimble. The trouble lies in the book, which is no more than s superficial précis of the duo's career up to their appearance at the London Palladium in 1947.

Hardy was a philanderer, Laurel wanted to be Chaplin. In their young days he understudied Charlie, here rather undercast for the ruthlessly pushful egocentric portrayed. He always hankered after solo stardom. As his father told the young Stan *né* Jefferson, "You stand tall and you stand alone — that's what a star is."

That is also what cliché is. The triumvirate of writers, Michael Landwehr, Kay Cole Arthur Whitelew, stick over-cautiously to the familiar territory of backstage shows. There is even a song called "Star quality" which might have come from any show-biz musical in the psst 20 years.

The predominantly bland flavour is varied by a strong dramatic number for Laurel prior to resigning himself to being an eternal partner; but Hollywood chicanery, the stars' failed marriages, Laurel's strike against the studio, sre skated over. The limited resources that stood Mr Whitelaw — who also directs and produces — in good stead with *Snoopy* and *You're o Good Mon, Charlie Brown* are too intimate for the exuberance of jazz-age Hollywood: one production number with Pickford, Chaplin and the Phantom of the Opera, among others, hymning the silent cinema, looks undermanned. The fashionable invisibility of the band (not even mentioned in the programme) inevitably detrscts from the sense of occasion that s musical should generate.

Alastair Muir

Mark Hadfield (left) and Kenneth Waller

Mark Hadfield's Laurel is uncannily like, and gratefully seizes the most interesting role: both he and Kenneth H. Waller's amiable Hardy have the immortal mannerisms off pat. One long comic routine with a dentist's chair, however, leaves us unsure whether it's being presented as a lovingly reproduced museum piece or fresh and funny in its own right. Like his noble namesake, Mr Whitelaw has an uncertain aim. He must tighten the focus if he doesn't want to bag a turkey.

NORTH WEST PROPERTY
FINANCIAL TIMES REPORT

Infrastructure is playing a big part in the take up of industrial sites in the area. In the meantime big schemes in inner city regeneration and mill conversion are going ahead.

Location of sites is an important factor

BY NICK GARNETT

SCHEMES OFFERING directors of companies new cars as an incentive to take up property leases and the flood of promotional literature describing the North West's crop of big refurbishment schemes and office developments, sum up the present state of the region's property market.

Renting levels and purchase prices are generally static and there is an overabundance of available factory and warehouse space. At the same time work has recently started on some of the country's largest projects in inner city regeneration and mill conversion.

The recession has bitten deep into the North West: its conurbations look tired, and far more money needs to be pumped into its infrastructure.

Location, whether it is distribution centres on the M62 or business park developments on the edge of motorway spurs close to town centres, has become increasingly important. Incentives or reverse premiums are common in the battles waged by agents to win clients.

More marked

The variation in the marketing potential of different sites has become more marked, too. Rochdale or Warrington have done well in attracting distribution firms whereas a group of 10 companies in Trafford Park has felt obliged to mount a campaign to secure improvements in the near-Victorian transport infrastructure which characterises part of the site.

Considerable pockets of growth and optimism still make themselves felt, however. Merseyside's property market is showing signs of buoyancy, especially good commercial property. Lettings in Warrington have more than doubled over the previous year and are also well up in Central Lancashire.

Small units under 2,000 sq ft have remained popular and, in some areas, agents report healthy selling and renting up to 10,000 sq ft.

Above that size it can be painfully hard for agents. There is so much good quality post-40s single-storey factory space available that mill properties are difficult to shift. Regular travellers along the M62 cannot fail to have noticed the for sale sign that seems to have become a permanent feature on the front of the Ellenroad Mill, near Oldham.

Mill conversions are still in progress across the North West, however, and the units they provide are havens for the small, low-technology business short on capital.

Conversion of the Red Scar mill at Preston, formerly owned by Courtaulds and covering 1m sq ft, has still to be completed. This will provide half a million sq ft for new occupiers.

Apart from a few big names in high technology such as Ferranti and ICL in Greater Manchester, and Plessey in Liverpool, the lack of computer and related manufacturing companies is a worrying problem for the region.

The North West has been a little sluggish, too, in the science park stakes. Those now being developed in a number of locations will be additions to the region's business parks, some centred on computer and related companies (though not universities). Warrington's Birchwood science park is an example of this type of development.

The pace of development in the region's enterprise zones has quickened too but many of the inward moves have been from just outside the zones' boundaries. The success of the zones has still to be proved and many planners now appear dubious about their value to regional development.

Property companies claim every year that there is a looming shortage of first-class office property in the city centres in spite of the plethora of rent and for sale signs on older office buildings.

A problem

Some of the best office accommodation in Liverpool and Manchester has been let over the last 12 months but the move to the "suburbs" is becoming a problem for the region's inner cities, particularly Manchester. Refuge Assurance is one of the latest examples of a company moving to the conurbation's edge.

Above all, the North West is now characterised by a rash of major schemes. Some of them are industrial conversions like the restructuring of the Storeys plant at White Cross, Lancaster, and the transformation of the Workington ironworks in a scheme scheduled to run to 1988.

Most of the projects though are related to leisure, living accommodation and retailing. They range from the £70m Albert Dock project, the Cavern Walks development in the centre of the city, and the Merseyside Maritime Museum, to the £20m conversion of Manchester's Central Station site into a conference and exhibition centre and the recent completion of that city's science and air and space museums.

Hugh Routledge

The transformation of Liverpool's historic Albert Dock into a "little Venice" is a £70m project being carried out by the Merseyside Development Corporation, whose chairman, Mr Leslie Young, is seen above on the site.

High priority for high-tech

Cheshire

TOM HEANEY

SEVERAL SCHEMES moving through the development pipeline lend support to Cheshire's view that the county is equipped with assets capable of attracting high-technology industry, a claim bolstered by a report placing it in the top three regions in Britain for hi-tech potential.

Marketing is about to start for Chester Business Park, which is to be built on a 136-acre site to the south of the city centre, providing 650,000 sq ft of low-density, primarily custom-built accommodation. Whyatt Securities, commercial property development and investment arm of Sir Alfred McAlpine, envisages an international profile to the park's potential occupiers. It believes the development will sell on the strength of its environmental incentives in the setting of an attractive and historic city.

Office and R&D functions are among uses envisaged by Vale Royal District Council and Osborne House (Gadbrook) as partners in the development of a new industrial park in mid-Cheshire. It is planned to provide 400,000 sq ft of two-storey, brick-built accommodation, finished to office standards, on a 60-acre site offering a coverage ratio of only 17 per cent.

The basis of marketing will be design and build, freehold or leasehold, with the developers looking for a minimum unit size of 10,000 sq ft and a rent of £3.50 per sq ft.

A 170-acre greenfield site at Neston, Ellesmere Port, has been identified by Cheshire County Council as a promising location for a major development keyed to the needs of high technology industry. The project, the centre of local contention at present, goes before the county planning committee in December and critics expect it to be called in by the Government.

Meanwhile, Ellesmere Port is not alone in experiencing a revived demand for larger units on existing industrial estates. It includes sizes in the 10,000-20,000 sq ft range and the uptake has made inroads into stocks. The whole of the reclaimed 26 acres at Portside, Ellesmere Port, with sites offered at £30,000 an acre, has found potential takers.

Development leaders at Crewe and Nantwich say the more active inquiry for larger units is being reflected in a definite improvement in lettings.

Better year for all sectors of the market

Merseyside

IAN HAMILTON FAZEY

DESPITE THE region's economic depression, Merseyside's property market has rarely been so buoyant. Industrial lettings are up, good commercial property is moving and the retail sector in central Liverpool at least is having a good year.

Whether or not a corner has been turned will become clearer this autumn when the seven floors of new offices atop the birthplace of the Beatles come on offer. Asking price will be near £6 per square foot—an important new threshold in rental growth.

The offices are in Cavern Walks, a new building in Mathew Street which incorporates the restored, original Cavern as a basement nightclub. The narrow back street, newly paved and pedestrianised, is an obligatory stop on the Beatles trail for thousands of tourists from all over the world, a vital factor in marketing the impressive, galleried arcade of up-market shops that comprise the development's split-level ground and mezzanine floors.

Royal Life, which developed Cavern Walks speculatively, is very pleased at the retail response. So are the companies which have taken the shops and cafe: business always appears to be booming, with plenty of people spending money.

The first floor of offices has been subdivided into small units, with sizes ranging from 140 to 400 sq ft. Rental will be an all-in £20 per foot, including use of centralised secretarial and office services. Target market for Cavern Walks is the professional service sector, which includes architects and consultancies.

The development is only one manifestation of the improving buoyancy of the Liverpool market. After two years of trying, the combined forces of H.H. and J. Robinson and Jones Lang Wootton have let all 80,000 sq ft of the new Imperial buildings block to British Telecom. Trustee Savings Bank, which had taken the building's street-level banking hall and a local advertising agency on one of the upper floors, now become British Telecom's tenants.

However, there remains a shortage of good office space in Liverpool. British Land is, therefore, confident about the 65,000 sq ft block it is constructing behind a conserved facade a couple of hundred yards from Imperial buildings. A similar distance away, on the site of the abandoned Exchange station, the conserved frontage of the old Exchange hotel masks an even larger development by English Estates, due for completion in March 1986.

Movement into such offices is predominantly by Merseyside companies on the way up, which testifies to continuing and improving success in sectors such as the financial and other professional services. Even good refurbished accommodation has been making £5.70 per sq ft.

Retail sector

In the big city centre retail sector, Burtons has transformed the old Woolworth building with brilliant, modern retail design and everyone now expects something similar almost opposite across Church Street, where Chelsea Girl has taken over the Binns premises abandoned by the House of Fraser group.

Things are even stirring in the industrial sector, with overall occupancy showing net gains after years of losing tenants. About 20 per cent of English Estates' national record 3m sq ft of lettings last year were in its Merseyside region.

Small units have done well: after sticking solid for nearly a year, those built by the Merseyside Development Corporation have been nearly filled and now present a thriving look to the passer-by. Managed workshops converted from old transit sheds in the disused south docks by B.A.T. Industries are also full and thriving.

No one pretends that there is not a long way to go, particularly with bigger or medium-sized units, but there is a feeling in the Merseyside property marketplace that has not been evident so far in the 1980s. It is unfamiliar enough for its discovery to come as something of a shock. It looks suspiciously like optimism.

NORTH WEST PROPERTY 2

Interest stays highly selective

Manchester
TOM HEANEY

ANY NEW industrial property project in Greater Manchester outside the Salford-Trafford enterprise zones "is now virtually unfundable," claims a local developer who has just broken ground on a limited first phase of a speculative development at Trafford. It is not a view shared to the same degree by everyone.

John Townson, managing director of Townson Developments (Lancashire), an active developer both sides of zone boundaries, says that although the market outside remains patchy, "activity and attitudes are much better than last year." Interest in buying second-hand buildings had been especially active.

Elliott Partnership describes inquiry for modern units as "very good" and says last year's 1m square feet of new construction handled by the company as agent was overtaken in the first five months of this year.

Hopes were earlier encouraged by a survey by agent Grimley and Son claiming that two out of every three medium-sized companies in the Manchester area plans to expand, most within a year and many into new premises. Nevertheless, choice of sites outside the zones, for speculative developments on any scale other than small units, remains highly selective, with first-class communications ranking high in the criteria.

Stockport Motorway Estate, a new joint venture by Townson Developments and Slough Estates, typically reflects this pre-condition. It is located close to a junction of the M63 and a link to the national motorway network and is within 10 minutes' drive of Manchester International Airport.

It has mada a promising start with a first phase of 125,000 sq ft, including pre-lets for the first two units and with a third under negotiation, together representing one-quarter of the total space, at £2.15-£2.20 sq ft.

The growth to more than 1m sq ft of a Royal Life-John Finlan joint venture at Middleton, Manchester, owes much to its short link to the M62. The latest phase of 130,000 sq ft, the fifth, included a 90,000 sq ft pre-let. Motorway access applies equally in the case of Royal Life's industrial estate at Worsley, Manchester, but its nearness to the enterprise zones may be inhibiting its rate of progress matched against the Middleton development. The shadow of the zones reaches out well beyond a single estate.

Some developers investing in the zones admit they are an interference with the market, even if not as damaging as some critics claim. In the Salford sector, getting on for 750,000 sq ft of new industrial space has so far been built or is in the pipeline and eight developers are involved in speculative units.

It is estimated that 150 companies are now located in the sector, 35 per cent from pre-designation, and the number of jobs involved is put at about 1,500. Rents range from £1.70 sq ft for a large refurbished building through to £3-plus for fully-fitted offices.

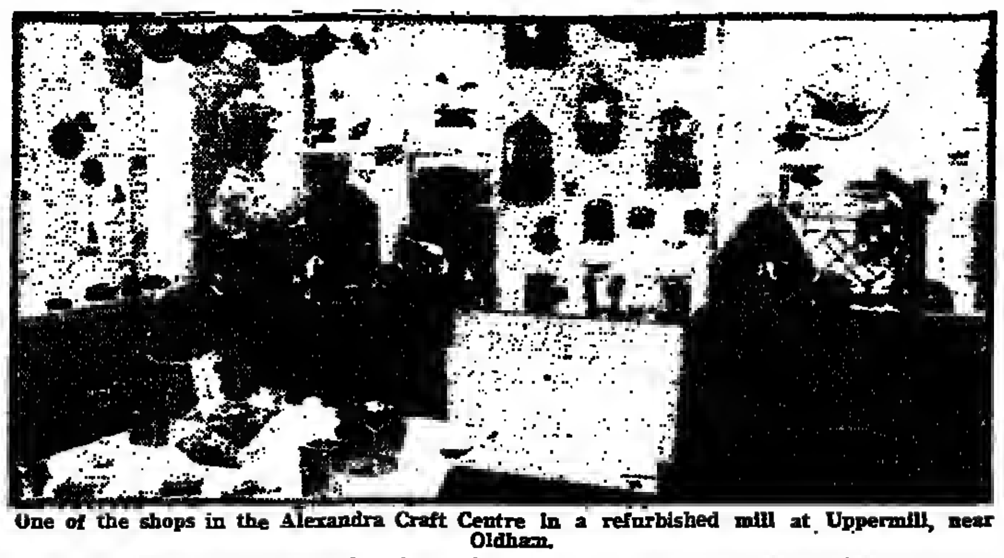
The largest single development in the Trafford sector is an investment of £20m by the Daily Telegraph in a new northern production centre of more than 120,000 sq ft. Inquiry is described as buoyant with nearly 100 companies so far located or about to move in.

Manchester agent Guest Shaw identifies the 100 per cent industrial building allowances in enterprise zones as a significant plus point, making them even more attractive when allowances outside the zones have been reduced and are due to disappear entirely in 1986.

Acting for Fearnley Industrial Developments, it has sold freehold investments for IBA purposes in Stowell Technical Park, Salford worth £1.53m. It has also sold a further £270,000 worth of long leasehold IBA investments in Waterway Enterprise Park, Trafford, for Mathind.

Steady take up of mill sites

Lancashire
TOM HEANEY



One of the shops in the Alexandra Craft Centre in a refurbished mill at Uppermill, near Oldham.

THE DECLINE of traditional industries accentuated by recession has left Lancashire with a large surplus of vacant, often old, industrial floorspace. Unoccupied footage rose from 2.8m sq ft in 1978 to 7.3m by 1981 and county planners say there is no reason to believe it has done anything but increase since.

Lancashire Enterprises, the industrial investment arm of Lancashire County Council, is not alone in supporting the view that with conversion and refurbishment some of it can be made to meet a very real need for cheap accommodation at a time when fostering small business enterprises ranks for so much national attention.

At White Cross, Lancaster, the company is involved in one of the largest refurbishment programmes in the North West, involving one million square feet of buildings left by the closure of Storey Brothers in 1982 with the los of 650 jobs.

Units are being offered in sizes from 100 sq ft intended for office use up to 45,000 sq ft and it is intended to make around 750,000 sq ft available under a ten-year programme. Most lettings so far have been in the 1,000-10,000 sq ft range. Overall lettings are described as very encouraging.

White Cross is one of a number of similar schemes being undertaken by Lancashire Enterprises, which now controls a property portfolio of more than 1m sq ft.

New development hopes are perhaps highest in north east Lancashire's enterprise zone and in the coastal strip most directly involved in onshore support for the £1,000m investment by British Gas in its new Morecambe Bay field.

The tempo of property activity in the Lancaster area, where new developments include a £7m industrial park by the City Council and Henry Boot close to the Heysham supply base, has shown signs of quickening, boosted by demand from incoming offshore gas and oil-related companies.

Nine months after designation of the north east Lancashire enterprise zone, new construction is in progress on six of the seven sites, with well over 500,000 sq ft committed, mostly for owner-occupier use. North East Lancashire Industrial Development Association, promotional agent for six of the sites, says it is extremely pleased with progress. Gains in Rossendale, which is undertaking its own marketing, include a £1m factory for an American company.

At Blackpool, English Estates has started work on the 58,500 sq ft first phase of the new Blackpool - Fylde industrial estate strategically located on a 70-acre site at the end of the M55.

Where small is beautiful

Cumbria
TOM HEANEY

DEMAND FOR small units dictates much of the pattern of new speculative industrial construction in Cumbria. "Small continues to be beautiful," according to agents Tiffen King Nicholson, reporting a fairly ready uptake for units up to 2,000 sq ft at around £2 sq ft.

Because of a shortfall in privately-funded speculative development, the pace in new construction is set by English Estates, which has a total portfolio in excess of 2m sq ft in the county and is marketing a wide range of unit sizes, particularly in the Workington Enterprise Zone. As elsewhere, small unit sizes are the most readily lettable.

One of the latest developments is a £400,000 investment providing 19 factories and workshops on Maryport's Solway estate, within the enterprise zone, in sizes ranging from 450 to 3,500 square feet at rents starting from £25 a week.

A major contribution to the development potential of the 218-acre zone is expected to be made by the site of the former Workington ironworks. More than £3m has been spent transforming the area and putting in infrastructure under an iniative led by Cumbria County Council

The ironworks site now enjoys the more felicitous name of Derwent Howe and the intention is to provide a fully-serviced industrial park offering a wide range of plot sizes attractive to private sector investment. The works programme extends to 1988 with a total budget approaching £15m.

According to David Thomas, zone manager, a lot of interest is being shown in the project. In the zone generally, the majority of new units were finding occupiers "almost as soon as they are finished."

Inward investment was being attracted and was expected to accelerate as the spin-off potential of a number of large capital projects in Cumbria was realised. Heading them was British Nuclear Fuels' planned expenditure of £5,000m over the next 10 years, two-thirds of it at its Sellafield site.

"Workington Enterprise Zone will be one of the most competitive in the country in rental and land values," claims Mr David Thomas. Plots start at £12,000 an acre and rent levels work out at around £1.75 sq ft.

New era for the waterfront

Reclamation
IAN HAMILTON FAZEY

The transformation of Britain's largest group of Grade One listed buildings into a modern community of offices, shops, apartments, restaurants, pubs, a museum and an art gallery, all set in its own "little Venice," is under way — and impressively so.

As a piece of urban reclamation it promises to outdo even Liverpool's international garden festival in terms of achievement and that, since the festival involved 250 acres disused dockland, petrochemical tank complexes and a massive household rubbish tip, is saying something.

But, whereas the future of the garden festival site and its buildings is still undecided, and another political football between central and local government, there is no doubt about the future of the new development.

The buildings are the formerly derelict warehouses of the Albert Dock, close by the Liverpool Pier Head. Their reclamation is the centrepiece of Government plans to revive Merseyside's ailing regional economy. But the £70m project is also a high-profile example of how to make co-operation work between public and private sectors in large redevelopment projects.

The Albert Dock, designed by Jesse Hartley, was opened by the Prince Consort in 1846 and was an important factor in the rise of Liverpool. The dock, a watery quadrangle hemmed in by warehouses, enabled cargoes to be unloaded straight into store for greater security and ships turned round faster.

Only three years ago its abandoned dereliction had come to symbolise the collapse of Merseyside's economic structure and the impotence of everyone to do much about it. Hulkingly beautiful, it was a dilapidated monument to former richness. It also had 1.25m sq ft of space going begging.

Commercial life returned to the Albert Dock in August with the opening of the first of a galleried arcade of upmarket shops and kiosks. At the same time, Merseyside maritime museum put on its first exhibition in the warehouse that will be its new home. With the scheme ready for the finish of the Tall Ships' Races this summer, the development got a flying start. Tens of thousands of people visited the dock to see the ships moored at the quayside.

The private sector developer is Arrowcroft, the London-based property group which has carried out several restorations and refurbishments around the country, though never on this scale.

David Phillips, of Arrowcroft's agent, Sykes Waterhouse, says that levels of inquiries continue to be "fantastic" The first quarter of the development went in a rush, boosted by one prestigious letting as Granada TV took one colonnaded building for the relocation of news operations and studios from Manchester.

Judging from the 300-plus serious inquiries there looks like being no difficulty in selling the 120 flats — at prices ranging from £40,000 to £70,000—even though they are still more than two years off. These will have views over the Mersey.

The first office occupants are moving in this Autumn and the next phases of development are well advanced. A decision is expected soon on the Tate Gallery's taking one block as a permanent home in the North. Already the development is helping to transform the look of central Liverpool and its waterfront — and with many a new brick laid.

Turning point brings renewed interest

New towns
TOM HEANEY

TWO OF the North West's four new towns reach a turning point, as presently administered, in 1985. The development corporations for Central Lancashire and Skelmersdale are due to wind up, bequeathing industrial assets not sold in the meantime to the Commission for New Towns. If the present improved momentum of activity can be maintained, they will do so in better shape than seemed likely not so long ago.

In the 12 months to end-August, Central Lancashire let a net 223,000 sq ft of floorspace, an increase of 28.9 per cent on the net 173,000 sq ft for the comparable period of 1982-83. Inquiry was up 23 per cent.

Small units, as elsewhere, have been readily lettable, but standard factories in the 15,000-20,000 sq ft range have been sluggish. However, there is evidence to support the view that larger units are also being taken up.

Two 20,000 sq ft units have been let at Walton Summit, a 22,000 sq ft unit at Chorley North, with a further 11,000 sq ft under negotiation, and a 16,000 sq ft unit in refurbished premises at Bamber Bridge has found a national tenant. But a warehouse of 140,000 sq ft at Walton Summit has still to find a taker.

The largest scheme still to be completed involves the vast Red Scar complex at Preston, formerly occupied by Courtaulds, covering a million sq ft on a 150-acre site. An estimated 500,000 sq ft will be available for industrial use when a major refurbishing operation is completed. So far 27 units have been let or sold and prospects are rated as promising.

An upturn of interest in larger factories is confirmed by Skelmersdale Development Corporation, which reports "very clear signs" of more potential activity in units of 10,000 sq ft and above. So far lettings generally are running only slightly above last year, but an encouraging development has been the increase in local companies taking additional space.

Skelmersdale's industrial and commercial properties will be transferred to the Commission for New Towns from April next year. Altogether about 160 factories are involved.

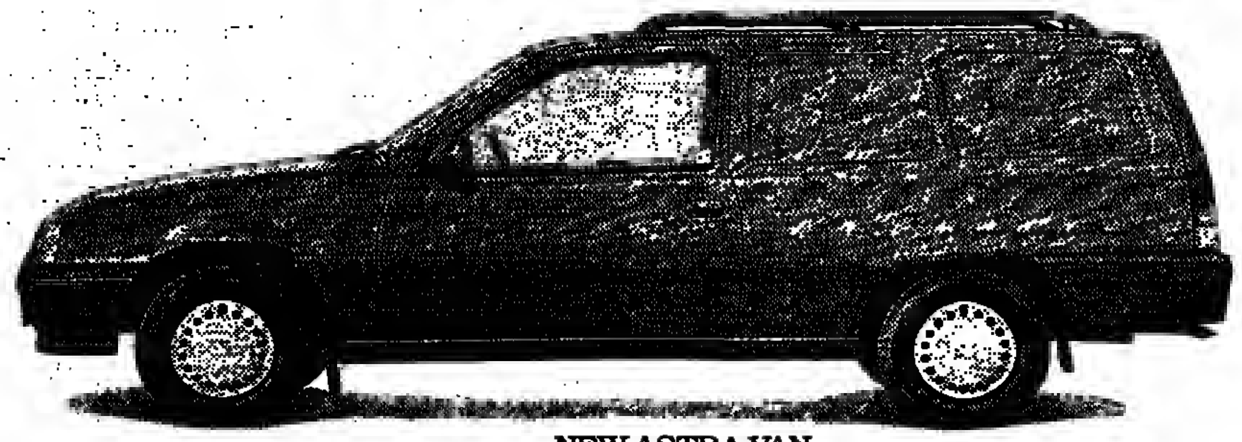
A date has yet to be announced for winding up Warrington-Runcorn Development Corporation, which is having a busy 1984. In the first five months of its current financial year more than 500,000 sq ft of floorspace was let, 150 per cent up on the same period last year, and the 900 jobs created were twice as many as last year. New signings are averaging a dozen a month, with a spurt in June to a best-ever 26.

In floorspace terms, the improvement has been boosted significantly by a German company taking 62,000 sq ft and an existing occupier expanding from 16,000 to 45,000 sq ft, both at Runcorn. Expansions accounted for 20 lettings in the five months, up threefold. Warrington-Runcorn identifies reviving activity in mid-range units between 5,000-10,000 sq ft, a difficult area for some time.

The better demand has encouraged the development corporation to review its forward plans. Gemini Business Park is to be opened up in one of the largest unit developments undertaken for five years, with 100,000 sq ft planned in unit sizes between 3,000-10,000 sq ft, including a high office content, intended for the sales and distribution market.

A start is planned early next year on a 90,000 sq ft development of industrial units to open up Manor Park, Runcorn. A start has been made on Birchwood Science Boulevard, where the first two 10,000 sq ft pavilions have been built and signed up.

OTHERS ANNOUNCE A NEW MODEL. BEDFORD ANNOUNCE A NEW RANGE.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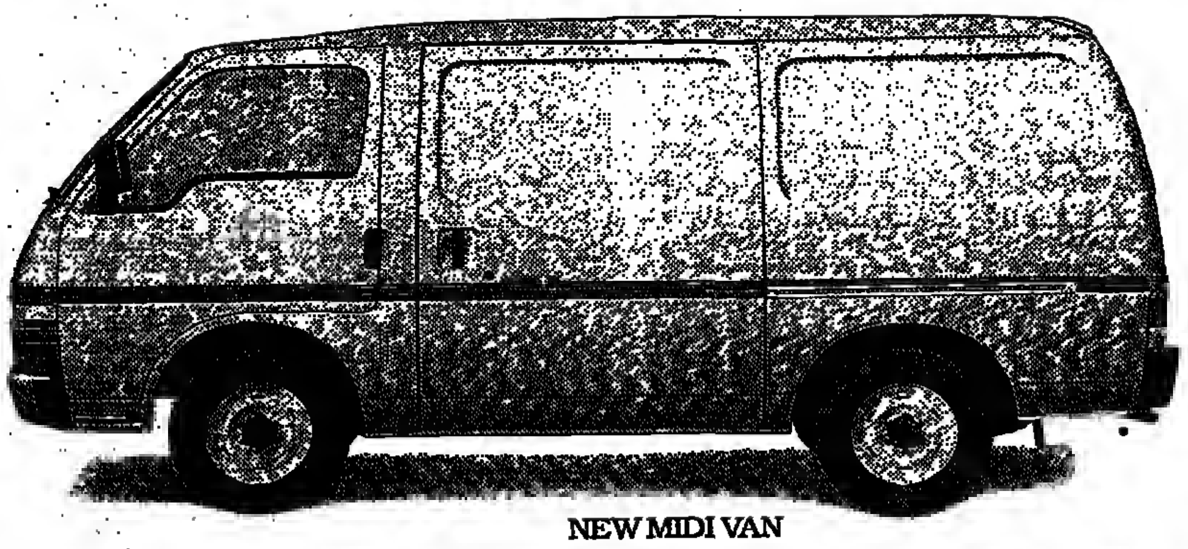
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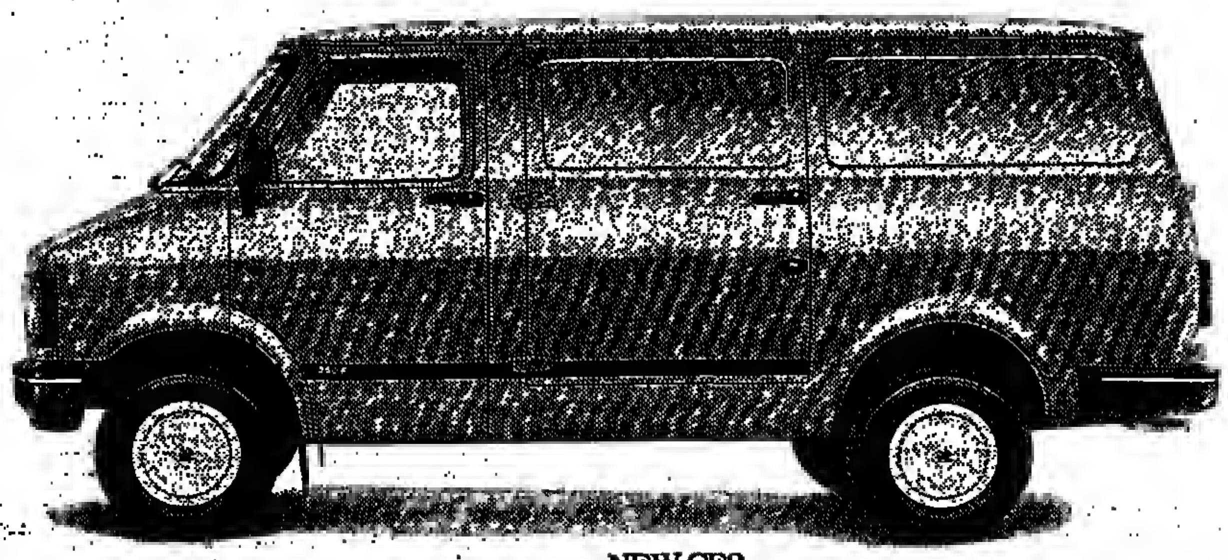
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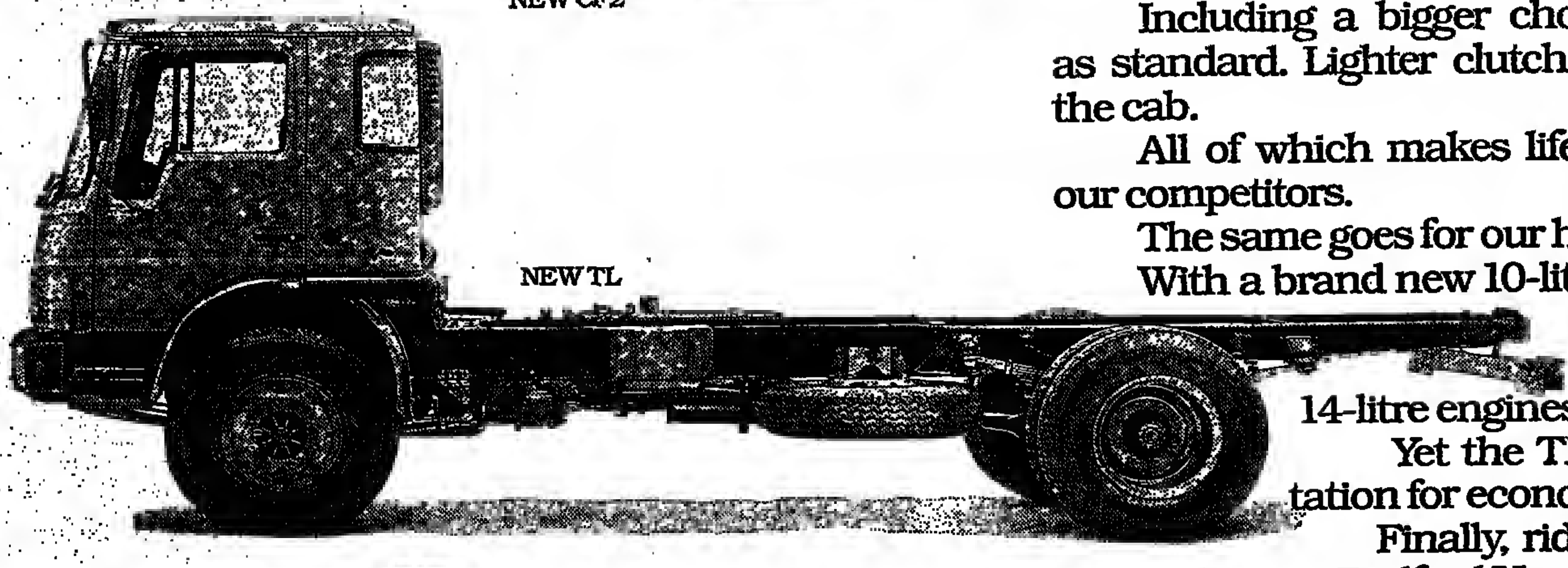
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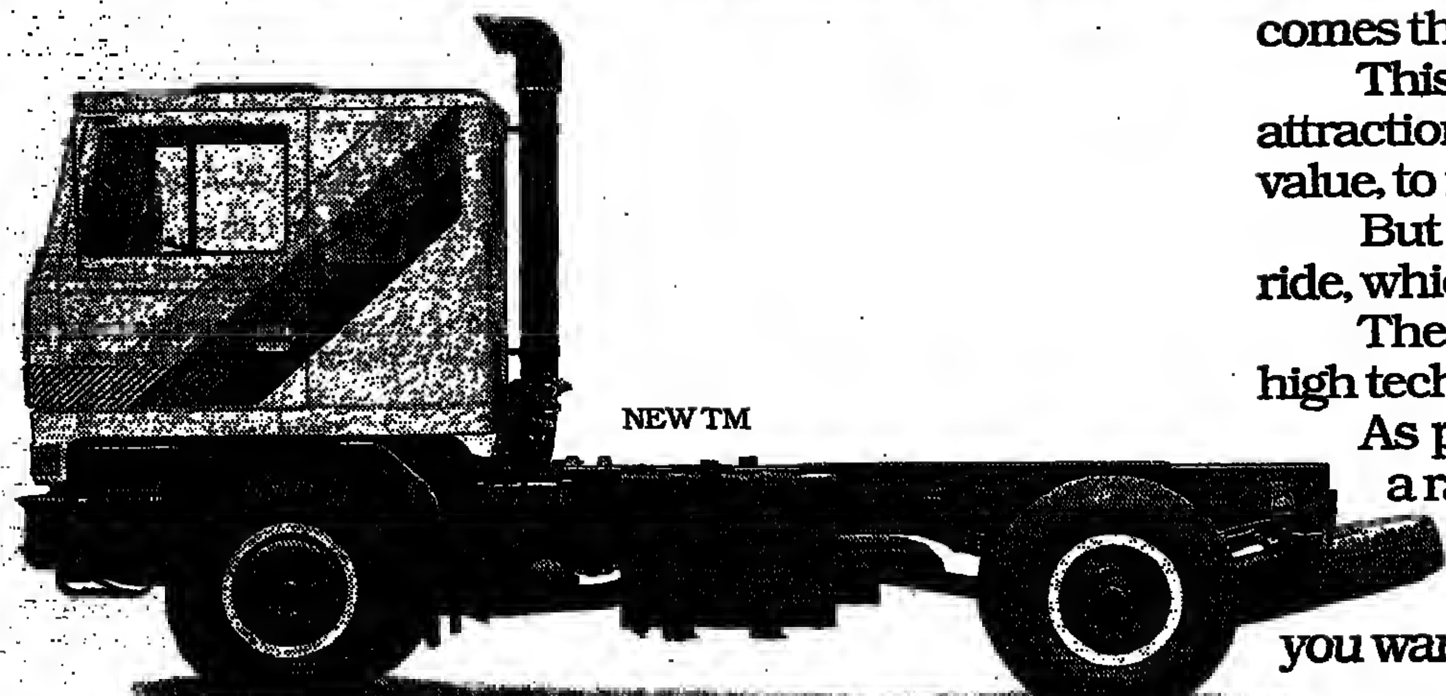
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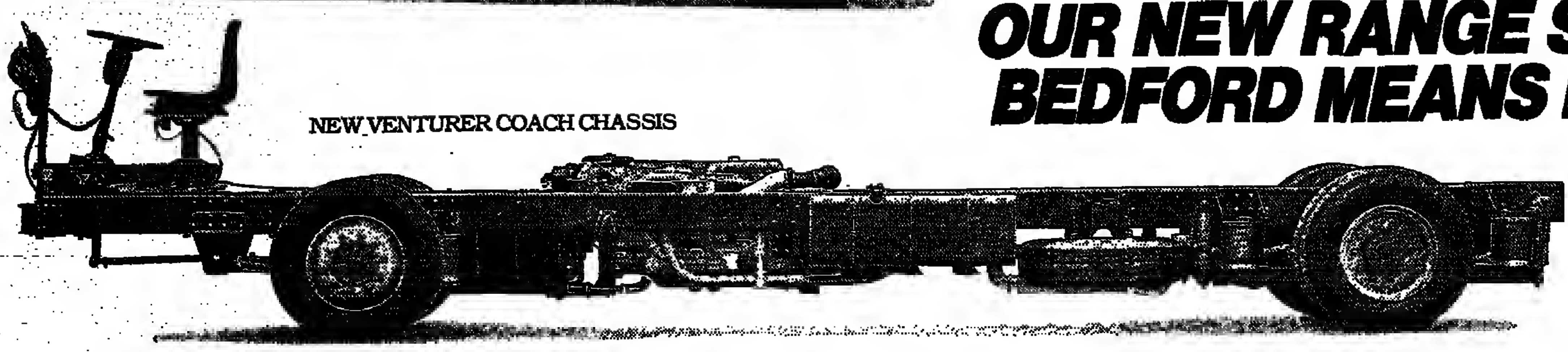
NEW VENTURER COACH CHASSIS

From time to time, most manufacturers manage to launch one new model.

This year we're launching half a dozen.

So whatever kind of transport business you're in, we probably have just the vehicle to help you run it.

Take the new Astra van, for example.

Following in the mega-successful tracks of its predecessor (Van of the Year '83) it's the product of a £50 million investment at our Ellesmere Port Plant.

A van designed with computers more sophisticated than those used on the Apollo Space programme.

Hence the incredibly low drag factor of 0·35. The all new interior. And the improved economy.

(Watch this space for the Van of the Year '85 awards.)

Next, filling a gap in our range, is the new Midi.

Available early next year, the range comprises both panel vans and personnel carriers. They deliver new standards of reliability, comfort and performance.

And they will be the product of a £70 million investment at our Luton plant.

Likewise the new CF2. Into its proven, durable body we've transplanted a new heart. There's now a completely different set of mechanics.

We've installed new gearboxes, a new interior and a gutsy, hard-working 2-litre petrol engine.

And though this unit is new to the CF, it's already pulled its weight in well over 1¼ million GM vehicles.

Of course, improving a truck like the TL is easier said than done.

But we've done it. Over 60 changes have been made.

Including a bigger choice of wheelbases. Power steering as standard. Lighter clutch operation. And many revisions to the cab.

All of which makes life easier for drivers. But tougher on our competitors.

The same goes for our heavyweight artic, the TM.

With a brand new 10-litre Cummins engine, it now packs a massive 283 bhp punch.

Which is more power than some 14-litre engines can deliver.

Yet the TM still maintains its enviable reputation for economical (some say miserly) operation.

Finally, riding high at the bottom of the page comes the new Bedford Venturer.

This 12m air-suspended coach chassis has many financial attractions. Low price and Bedford's traditional high resale value, to name but two.

But perhaps its best feature is the exceptional quality of its ride, which now rivals that of the more expensive continentals.

These new Bedfords are the result of some extraordinarily high technology. And equally high investment by our parent GM.

As part of the world's No 1 truck and bus manufacturer, it's a range that's geared to go from strength to strength.

Where can you see it?

At the N.E.C. show, of course. But get their early if you want to see it all.

OUR NEW RANGE SHOWS BEDFORD MEANS BUSINESS.

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Friday October 19 1984

Barriers to integration

THE UK motory industry is up in arms over the Government's decision to support the European Commission's latest proposals for limiting car price differentials in the Common Market. Much of the opposition motor manufacturers and others stems from a misunderstanding of what the Commission is actually trying to achieve in its new draft legislation. As Mr Norman Lamont, Minister of State at the Department of Trade and Industry, said last night, the Government is not about to "allow the Commission to exercise its powers so as to destroy much of the British motor industry."

The objectives of the Commission are relatively modest and can in no sense be regarded as an attack on the profitability of the UK motor industry. The starting point for officials in Brussels is the undeniable fact that the franchised dealer networks operated by the major manufacturers for many years contravene the competition requirements of the Treaty of Rome. The Commission has agreed to grant the motor industry a "block exemption" from the ordinary competition rules provided it meets certain conditions — for example that car price differentials do not deviate too far without good reason.

Differentials

Consumer organisations have questioned whether the logic behind the block exemption is sound. The Commission argues with little conviction that exclusive dealerships confer many advantages on consumers and are, therefore, worth protecting. There may be some advantages—in some instances exclusive dealerships may enhance competition between manufacturers. But there are also disadvantages: a House of Lords select committee recently concluded that franchised dealerships "have reduced and distorted competition and, at least in the UK, have made possible pricing policies which have been manifestly disadvantageous to the consumer." But a block exemption seems inevitable if only because the Commission lacks the staff to scrutinise individual distribution agreements.

There are many reasons why car prices may deviate in different EEC countries including exchange rate fluctuations, price controls and different tax regimes. But it is undeniable that in the past few years persistent price differentials have existed which cannot be explained in this way. In particular, there is little doubt that European producers have taken advantage of the unusually high cost base of the British motor industry to charge British consumers excessive prices for cars not manufactured in the UK. It is also undeniable that the exclusive dealership system has helped to maintain artificial price gaps by impeding the normal operation of market forces.

The Commission's aim is to attach conditions tot he block exemption which prevent the motor industry using its dealership system to sustain artificial price differentials. There are two main safeguards. First, the Commission will regard a price differential which exceeds 12 per cent and persists for more than six months as grounds for an investigation. The block exemption would only be removed if there was no adequate reason for the price gap; if it reflected factors such as tax policies, price controls or exchange rate fluctuations no action would be taken.

Freedom

Thus if the motor industry is right to argue that price differentials do reflect such objective factors they have nothing to fear from the 12 per cent rule which comes into effect next year.

Secondly, the Commission wants to give consumers in the EEC more freedom to buy where they wish — to take advantage of price differentials. Suppliers will therefore be obligated not to partition the Common Market artificially by refusing to supply certain vehicles in certain countries. It is right that consumers should have greater opportunities to shop abroad but the proposed legislation may not achieve its objective. The requirement will be that manufacturers meet reasonable requests from dealers in different parts of the EEC for cars of various specifications. The doubt is that franchised dealers will actually demand the vehicles consumers want.

It is essential to remove the barriers which prevent the EEC becoming a true common market. The Commission's proposals on car prices are a small move inthe right direction. It is defeatist to suggest, as soma do, that any action is pointless so long as economic and monetary union remains no more than an aspiration. Integration of jealously-guarded national markets will be achieved only as the result of a series of small steps.

Mr Marcos takes IMF medicine

PRESIDENT Ferdinand Marcos of the Philippines has been thrown a much needed lifebelt at a time when his 19 year-old regime has never looked so vulnerable.

The agreement reached in New York late on Wednesday night with the country's leading commercial bank creditors to reschedule part of the Philippines' $25bn foreign debt burden came not a moment too soon. It followed the long-awaited signature at the weekend of the country's letter of intent to the International Monetary Fund whose influence on the fate of President Marcos and on events in the Philippines is proving decisive.

Under the terms of the deal with the IMF, President Marcos has finally agreed to implement a series of austerity measures which are likely to cause severe economic retrenchment and could provoke popular unrest. The measures include cuts in government spending, controls on money supply and credit growth and a flexible exchange rate for the country's currency.

The implications of these measures are likely to be that oil and other commodity prices will rise even further, inflation could reach 70 per cent on an annual basis by the end of the year and companies, faced with higher costs, will lay off workers, pushing up an already high unemployment rate.

Instability

Independent economists are forecasting that the economy could contract by as much as 3 to 4 per cent this year. All this is very serious for President Marcos who has justified his autocratic rule over the past two decades on the premise that it has been needed to deliver healthy economic growth. In fact, since be came to power in 1965 the Philippines has gone from being one of the fastest growing economies in south-east Asia to one of the slowest. Compared to many of its neighbours the average annual growth rate of 3.4 per cent in the 1970s is a poor performance.

The IMF's medicine was, under these circumstances, particularly hard to swallow. But Mr Marcos had no alternative but to accept it. Political instability since the assassination last year of Mr Benigno Aquino, the opposition leader, seriously compounded the country's economic decline. As capital flowed out of the Philippines, foreign credits dried up and the situation threatened to develop into a full-blown crisis of confidence in the President's leadership.

Mr Marcos was also under pressure to change his style of leadership by an opposition which, although fragmented, was gathering strength. In the countryside, meanwhile, the Communist New People's Army was making noticeable gains. In short the feeling was growing, even among many of his supporters, that the President was beginning to lose his grip.

Conspiracy

By agreeing to the IMF's terms President Marcos has begun the long process of reasserting his authority and repairing his image. Over the next few days, however, ba will probably confront an even bigger test.

The fact-finding body set up by Mr Marcos to look into the assassination of Mr Aquino is on the point of submitting its report. It seems clear from the numerous leaks of the past two weeks that this board will indict the Philippine military for conspiring to assassinate Mr Aquino. The only major point of dispute between four of the five members and Mr Corazon Agrava, the board's chairman, appears to be how high up the military hierarchy the conspiracy went.

Mr Marcos has repeatedly said he will abide by the board's findings. The president should not only stick to that promise but also bring to book those named by the board for provoking what has been the worst crisis in the Philippines for many years. Mr Marcos has at last faced up to economic realities; he must now face up to the political ones.

FRANCE'S SAGGING ECONOMY

Down to earth with a bump

By David Housego in Paris

FEW OTHER countries in Western Europe have experienced so dramatic a rise and fall in their post-war economic fortunes as France. From being Europe's "high performer" in the 1960s, the country now faces a lengthy period of low growth.

Eleven years ago Herman Kahn's Hudson Institute predicted that France would be the major economic power in Europe by 1985, outstripping West Germany in the size of its total national output and rivalling Sweden in terms of income per head. The Hudso nInstitute gave an exaggerated account of French prospects but it caught the mood of optimism at the time about tha country's future. M Raymond Barre, the former French Prime Minister, still admits, that he held similar views about France's potential.

From 1967 to 1973 the French economy grew at an average annual rate of 5.6 per cent a year in line with its strong expansion since the late 1950s, and 0.6 per cent above tha average for an also fast-growing EEC. This gap bad narrowed to 0.4 per cent between 1979 and 1982 when France's growth rate slumped along with the rest of the world. Between 1983-1985 France, on OECD figures, will run an average growth rate 0.5-1.0 per cent below that of her European partners, with an expansion of real GNP of 1.2 per cent a year.

The shake-up in French economic thinking that the recession has forced, along with the growing convergence between left and right over economic policy, and the new emphasis being placed on entrepreneurship, hold out prospects for a return to higher growth rates in the 1990s. "But whatever the government in power," says e former senior official, "I see no way France can avoid low growth for the rest of this decade." His judgment is borne out by the Plan Organisation which foreshadows growth rates of between 1.5-2.5 per cent for France through to 1988—below expected growth rates elsewhere in Europe.

But the dip in France's growth rate below that of her European partners is not the only sign of the weakening of her economic and industrial competitiveness.

● *As the OECD shows in its* latest report on France, foreign manufacturers bave dramatically increased their share of the French market over the past 15 years. Import penetration for industrial goods as a whole grew from 19.3 per cent in 1970 to 36.7 per cent in 1983. At the same time export growth has slowed down. France's share of OECD exports, which had risen to 9 per cent by 1979, fell steadily to 7.9 per cent by 1983.

● French industrial investment which grew by 6.5 per cent a year over tha period 1963-1973 has stagnated since then. It declined in real terms by an average 3.3 per cent a year between 1981 and 1983. France has now an increasingly ageing capital stock.

● Gains in productivity have also fallen off. While productivity per man-bour in Frencb industry grew by 5.6 per cent a year between 1969-74, the rate slowed down to 4.3 per cent between 1975 and 1982.

● Since 1979 two of the major industrial sectors in which France used to bave a competitive edge have been in trouble. Foreign car manufacturers have increased their sbare of the Frencb domestic market from 22 per cent in 1979 to 33 per cent last year. This sharp rise in import penetration bas not been offset by a surge in exports. France's share of the EEC car market has fallen from 30 per cent in 1979 to 24 per cent last year.

The country has also been losing out in the market for turnkey projects and capital goods orders from developing countries. This was one of French industry's strong areas in the 1970s. In fact, the only two sectors in which France continues to be an export leader are the armaments and aeronautics industries—in both of which the Government *is* closely involved.

There seem three basic reasons for this slide. The first is errors of macroeconomic policy, dating back to the early 1970s. With the possible exception of M Barre's government and of the Socialists since March 1983, French administrations since the oil shock of 1973-1974 have pursued the wrong policies at the wrong moment. While the U.S., Japan and West Germany mede households pay for the increase in energy costs, France squeezed company margins in an effort to safeguard economic activity and jobs byt maintaining purchasing power. M Pompidou's warning in the 1960s that "if there is 1m unemployed on the streets, there will be a revolution in France" sets the keynote for every government.

Because companies were forced to pay the cost of higher energy hills through bigger tax and social security charges the corporate sector has been greatly weakened. Whether measured in terms of profit ratios or return on capital, French companies are in much wors esbape than 15 years ago and thus less able to invest. At the same time the emphasis at the minimum on purchasing power and economic activity has led to a higher French inflation rate, balance of payments difficulties and successive devaluations of the franc.

Both governments of left and right got their calculations wrong—which is important because tha leaders over the last 11 years remain candidates for power over the next decade. M Giscard d'Estaing, M Barre, M Jacques Chirac (Prime Minister 1974-76) and President Mitterrand could all run for the presidency in 1988.

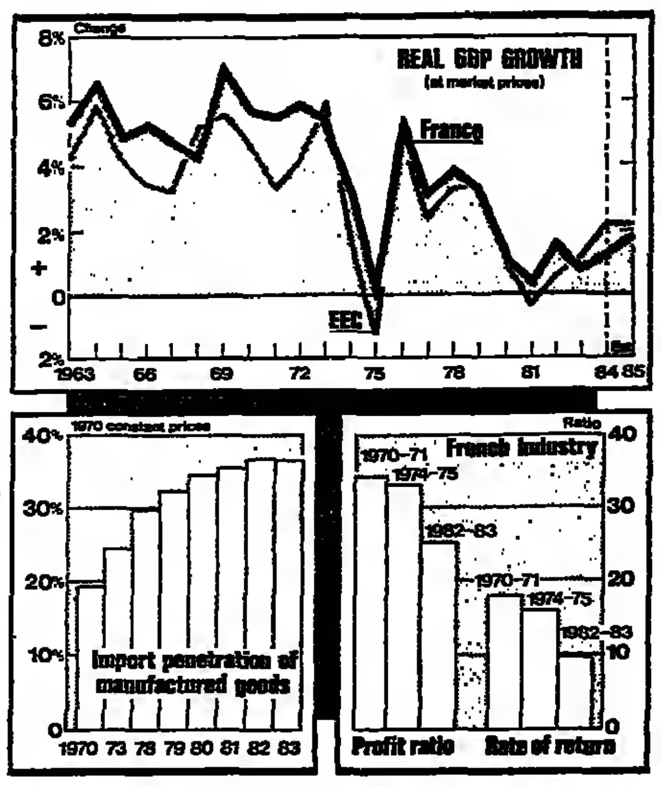
Before being elected President in 1974, M Giscard, then Minister of Finance, suppressed the confidential "Daffodil" report, which warned that if tha French economy was to adjust to the first oil shock, there would have to be a slowdown in the growth rate. In the first two years of his presidency, real purchasing power rose by an average 3.9 per cent a year—*high even by the standards* of tha boom years.

In the summer of 1975, President Giscard told the French that they could go on holiday with their minds at ease because the recessiou was over. Nevertheless, fearful of rsing unemployment, tha Government, with M Jacques Chirac as Prime Minister, reflated the economy that year. The result was an increase in inflation and a wodening of the French trade deficit which eventually forced a withdrawal from the European "snake," a devaluation of the franc and the bringing in of stabilisation measures in 1976.

Notwithstanding the lessons of this mistake, President Mitterrand reflated the economy in 1981 through widening the budget deficit and increasing wages and social security allowances. The results were worse than in 1975-76 because the stimulus to the French economy coincided with a period of intensified deflation among the other major industrialised economies in response to tthe second oil sbock.

An exception to this misreading of the times was M Barre's administration, from 1976 to 1981, whicb began to shift resources away from households and back to the corporate sector. More recently, the Socialists, at the initiative of M Jacques Delors, then Finance Minister, resumed this policy after the March 1983 devalnation. But *it still remains an* open question how far in practice they will go.


M Giscard d'Estaing



Brane Radovic

> The growth illusions that dominated the past decade are being dispelled


President Mitterrand

Apart from errors in economic policy, M Rene Monory, Minister of the Economy (1978-81) puts the hlame for the weakening of France's economic performance on excessive government intervention. "Wa had too many technocrats and Enarques (graduates) of tha elite Ecola Normale d'Administration)" he says, "who held high posts in government, were out of touch with international economic realities and intervened too much."

On both left and right there is now widespread acceptance that, at a time of fast-changing products and markets, the dominance of the state has slowed French edjustment. "Our studies at the Plan," says M Michel Albert, head of the organisation from 1978 to 1981, "showed that there was no correlation between the most competitive sectora of industry and those that benefited from industrial policy." He adds: "Generally speaking, aids are not vitamins but drugs."

A third reason for France's declining competitiveness is that the country is now (like many others in Europe) shouldering tha burden of rigidities in the economy that have accumulated over a century or more. These are less supportable at a time of low growth. They include a high-cost and grossly overstaffed banking system; cumbersome state monopolies like the Caisse des Depots (the institution which largely channels funds to local authorities); a welfare system beyond the country's resources, and labour regulations that discourage companies from taking on new staff.

In retrospect, most political *leaders believe that they had* no alternative but to pursue the policeis they did, particularly since the *high growth rates of* the de Gaulle and Pompidou years had left behind a legacy of social inequalities.

The pressures seemed greater *because of the memories of the* mass demonstrations of May 1968 and because M Giscard had only scraped home to victory over M Mitterrand in 1974.

When M Barre took over as Prime Minister in 1976, he slowed down the increase in real wages. But he was insistent on maintaining purchasing power — thus differentiating France from other industrialised countries where adjustment has been accompanied by a fall in living standards. M Barre's fear was that any repetition of the right's deflationary policies in the 1930s would produce the same traumatic social explosion.

But M Barre's squeeze on living standards and the rise in unemployment to close to 2m gave fresh impetus to Socialist promises to reflate the economy. When President Mitterrand came to power in 1981, he was none-the-less warned, as Giscard had been, that medium-term growth *depended* on holding down household incomes. "I was probably not courageous enough in *spelling* out the dangers," says one senior official. "I tried to keep the increases to a minimum to limit tha damage." But even that was not easy in the euphoria of the left's victory in 1981.

The revolution in economic thinking now taking place in France is dispelling the illusions that have dominated the last decade. "We have now recognised, but ten years too lete," says Mr Albert, "that companies must get priority over households." The change in intellectual climate is being reflected in tha widespread *acceptance of the de-indexation* of salaries, in the growth of liberal ideas, in the emphasis by both left and right on diminishing the power of the state and in tha growing agreement on the priorities of economic policy. All these factors could bear fruit in the 1990s.

But for the immediate years ahead, there is no option but slow growth for at least three reasons:

● The weakening of French industry means that any pick-up in growth would immediately put strains on the balance of payments because of the fresh surge in imports of investment and consumer goods.

● The shift of resources to the corporate sector has only just begun so that real incomes will have to be held down if this is to continue.

● Repayment of foreign debt *(now around FFr 600bn) will* impose an additional burden on the economy of FFr 100bn a year in the late 1980s.

France is now entering a new three-year electoral cycle —spanning the 1986 National Assembly elections and tha presidential election of 1988—just as the world economy is once again slowing down, and difficult *decisions remain* to be taken.

BT loses Enterprise man

Colin Crook's sudden departure to Data General, the U.S. Computer manufacturer, is a blow to British Telecom just before its flotation.

When he joined the Board a year ago as managing director of BT Enterprises, Crook, aged 42, brought with him a healthy, go-getting entrepreneurial style —the mark of his years in U.S. high-tech industry. He worked for NASA on the guidance system for the Apollo moon landing and, later, for *Motorola*, where as group operations director, he was responsible for its microcomputer business.

Crook, who started as a computer designer for Plessey, *returned to the UK in 1979* as managing director of Rank Precision Industries and, in 1980, set un Zynar, a new trading division, developing micro-computer network systems, for the Rank Organisation.

His mission at BT Enterprises was to knock a mixed bag of businesses—Prestel, electronic mail, subscriber equipment sales, mobile communications—into scape to realise its potential as BT's biggest growth area.

In particular, he fas devising a strategy to put BT firmly into office automation—a field in which previous efforts had made little headway.

Crook always saw an international future for BT, especially in the United States. "British Telecom Enterprises," ba said yesterday (according to BT's press office), "has a talented staff and is ready to go places."

But, for whatever reason, he decided to go ahead of it.

City run

City endurance is to be put to the test again on Sunday. World record athletes Ron Clarke—managing director of Cannons Sports Club—and Dave Bedford have organised the Square Mile's first ever road relay race.

Sponsored by stockholders Grieveson, Drant, the event will consist of six laps of 4.5 km over *Blackfriars* and Southwark bridges.

Men and Matters

The Stock Exchange, City of London Police and Bank of Scotland are among the 28 corporate teams entered and some 25 top sports clubs will be taking part. All entry fees will go to Capital Radio's charity "Help a London Child."

The winning corporate team will get a cup and a £150 dinner —the second will be fitted sports shoes ready for the next race.

Work out

If ever a man could claim to have worked himself assiduously out of e job, it is Geoff Armstrong, BL Cars employee relations director who, it was announced yesterday, is leeving to join the Board of Metal Box.

Armstrong, 37, took over the hot spot et BL five years ago, just as Sir Michael Edwardes was pushing through the traumatic programme of redundancies, factory closures and changed work practices. Then Armstrong was responsible for 120,000 employees. Now the number is down to less than 50,000.

Not all the reduction has been dona with the jobs axe. Armstrong has exerted e calming influenca during the industrial conflicts of recent years and, trusted by the trade unions, has guided the break-up of the old central negotiating machinery to clear the way for the Government's privatisation plans.

Land Rover was first to establish its separate bargaining unit. The Jaguar flotation followed. That left Armstrong with merely the Austin Rover group—its workforce cut by half since he joined—and Unipart.

He must count himself lucky on the timing of his move to Metal Box, where from January he will he responsible for the 37,000 personnel, worldwide.

At Austin-Rover, both sides are limbering np for the ritual pay battle. The unions' claim for a £22-a-week rise has already been dismissed as neither sensible nor realistic.

Norman Haslam, one of Armstrong's lieutenants, is currently heading the management side. The new man to take over personnel in December is Alan Curtis, managing director of Avon Cosmetics. Like Armstrong, he was initiated into industrial relations at Leyland Vehicles—the former stamping ground of Harold Musgrove, A-R's tough-talking chairman.

Duty calls

The decision of the Irish *government in the midst of its* mounting economic problems, to cut—yes, cut—the dnty on spirits by the equivalent of £1.45 a bottle has led it into unexpected difficulties.

While there is a tried and tested Irish system for increasing taxes (after all that bas happened often enough) no blueprint exists for reducing *them*. No *one* in Dublin had ever imagined that such a thing could ever happen.

As so often in Irish history the Dublin government's hand has been forced in this matter by event on the border.

The 200-mile, largely unpoliced, border with Northern Ireland, bas proved a godsend for smugglers with recent *savings of up to £4* e bittle *on* booze purchased in the north.

Estimates of the illicit trade range from I£30m to I£100m a year, and the republic's finance minister, Alan Dukes, has calculated that be would lose little or no revenue by reducing the differential and putting the smugglers out of business—not to mention increasing his govednment's popularity by a swig of the bittle, so to speak.

But things have not been so simpla for the customs and excise men. What to do about stocks on which the old, higher, rate of duty has already been paid? Up to 30,000 cases are involved.

In a masterly piece of officialese, a spokesman said these cases "have not moved through the distribution chain as quickly as anticipated." In other words, who was going to be fool enough to buy at the old price?

So the revenue has swallowed its pride an dis giving a refund of one Irish Punt on every bottle to wholesalers and importers who return stocks to bond by tonight.

Tomorrow, when the prices come down, will be a day to remember, says my man in Dublin — if anyone can remember.

Trade drive

A metal trader, working not a million miles from London's Tower Bridge, took some clients to dinner at an up-market Indian restaurant. On arrival, he handed his car keys to a fellow standing by the restaurant entrance and asked him to park the car.

Dinner over and bill paid, the trader asked that the car be brought round by the doorman. "Sir," said a bemused waiter, "we have no doorman."

The up-market Ford car is still missing.

By the way

The Governor of the Bank of England refused to be drawn on monetary policy at the Mansion House dinner last night. But he promised a major speech on the subject next week before a university eudience. "You may draw what inference you please," he said, titilleting the diners' curiosity, "from the fact that the university is at tha other end of the M2."

Observer

POLITICS TODAY: THE MINERS' STRIKE

Time for one last peace bid

By Malcolm Rutherford

MR NORMAN WILLIS, the new General Secretary of the TUC, said in a BBC radio interview on Wednesday that the miners' strike was the biggest dispute in this country this century. I do not think that anyone who knows anything about it, or about British social and political history, would seek seriously to refute that view.

There are, however, a few days in hand. We do not yet know whether Nacods, the pit deputies' union, will join the National Union of Mineworkers on strike, or whether that would bring coal production to a standstill.

We do not know either whether the TUC will take an initiative capable of bringing the dispute to an end. Certainly it does not relish the prospect of a fight to the finish, though it is unsure, as always, of the extent of its own power and influence.

It is also possible, though unlikely, that the Government will drop the ambiguity of its role in the affair, which consists of pretending that it has no direct responsibility for the outcome, while everybody knows that its fortunes depend upon it and that the Government has been intervening from behind the scenes hand over fist.

Energy supplies are no longer unduly hard to come by

It is conceivable, even now, that the dispute could be stopped by Mr Peter Walker, the Energy Secretary, or perhaps by the Prime Minister herself asking the TUC to come to the rescue.

The TUC could ask Mr Arthur Scargill, the NUM President, precisely what kind of industry he wants and insist that he gives up some of his more ridiculous demands—like the right to put sons of miners down clapped-out pits in conditions that would be cruel to animals—until well into the next century. Mr Scargill has never really been taken to task by his follow trades union leaders about some of his wilder statements.

The TUC could also point out the immense harm that the strike is doing to the union movement as a whole. You do not have to be a fully paid-up member of the left to agree with Mrs Thatcher that this is not an ordinary industrial dispute. It is union against union and miner against miner, and it will get worse if the strike goes on.

The TUC could say all of those things, but the signs are that it would like to be asked and that an invitation will not be forthcoming. The Government will not swallow its pride by calling on the TUC to intervene, and the TUC will not voluntarily summon up its powers.

All those matters should be *pondered in the next few days*—by the TUC, by the NUM, by Nacods, by the Government and by the country at large. The conclusion that I draw is that there is room for one more attempt at a settlement, probably with Government intervention.

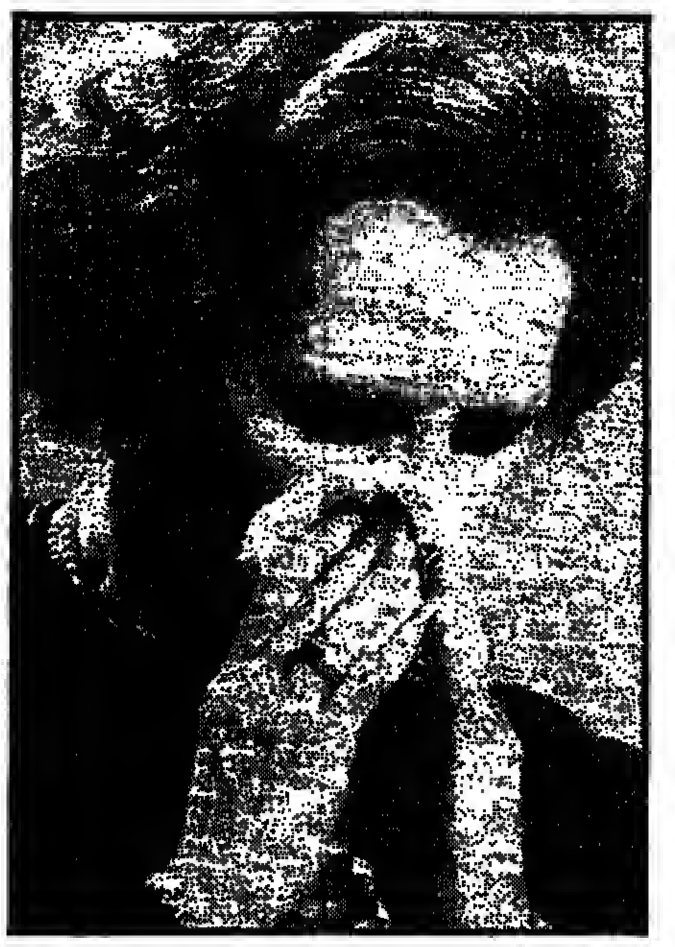
It may fail, but it may be important many months on for it to be seen to have been made. The Government may need all the support that it can get during what could be a very bleak and bitter winter. It is not good to allow the charge to be put that you never really tried hard enough to prevent it.

Let us assume, however, for the rest of this article that the strike continues and the situation deteriorates. There are power cuts, sequestrations of union funds, more battles on the picket lines.

There is no doubt whatsoever in my mind that the Government must be prepared to sit it out if it has to, nor that—in the end—it will win. (The word "winning" will be defined later.) Nor can there be any doubt about its resolution. If anything, it is too bold rather than too weak.

There are several reasons for such certainty. It was not an ordinary dispute in the first place because one-third of the miners have gone on working. There has not been much sign of other unions coming enthusiastically to the support of the NUM. Moreover, energy supplies are no longer unduly hard to come by.

It is worth looking back to the miners' strike of 1973-74 for a comparison—the one that brought to an end the Government of Mr Edward Heath. The circumstances then were quite different.



Ashley Ashwood

Mrs Thatcher during her closing speech at Brighton

The really important threat at that time was to oil supplies: there had just been the Yom Kippur war and the first oil shock. What is more, the Government was embroiled in a host of other difficulties: stage three of the incomes policy, Sunningdale and the possibility that a new Labour administration might take Britain out of the European Community which the country bad just entered.

The only coincidence between then and now is the way Ireland seems to crop up at the most inappropriate times in British politics. Bloody Sunday occurred in Londonderry during Mr Heath's first miners' dispute in 1972. It is arguable that the Sunningdale agreement would never have come undone in 1974 had it not been for the premature British election because of the miners. One week ago today we had the Irish bomb at Brighton.

But that is by the by. For the rest, the situation is transformed. The only oil crisis today is one of falling prices and over-abundant supplies. The country has oil and gas of its own in the North Sea. Nuclear energy playa a larger role. There is coal at the pitheads and at the power stations. It can also be imported, as is already happening.

The conclusion is that this country is energy-rich at a time of energy surplus. Energy costs may rise in the short-term, but it would be very unwise to assume that the British economy is going to grind to a halt because of a lack of domestically produced coal.

There is also a political point. Mrs Thatcher's administration does not even have to entertain the thought of holding an election on the miners' issue. It received a huge majority little more than one year ago and the opposition is divided. There have been no indications of dissent from within the Cabinet. Mr Walker indeed, the arch remaining wet, willingly holds the fort.

Besides, it would be naive to imagine that Ministers have not drawn their own deductions from what happened 10 years ago. They did actually see Mr Heath's Government humiliated to the point of committing suicide. (Anyone who wants a quick reminder should look up the account in *An End to Promises** by Mr Douglas Hurd, now the Secretary of State for Northern Ireland.)

Hence Mrs Thatcher did not take on the miners during her first term. Hence the build-up of coal stocks at the power stations before the confrontation that is taking place now. The ground has been quite carefully prepared.

That is why I think that the Government could sit out a stoppage through the winter and is ready to do so. The main question this week, however, is whether there should be one more attempt at a settlement.

Here it comes back to what is meant by "winning." In a sense, it seems to me that the Government already has achieved a significant victory. It has survived eight months of the coal strike without there being a major economic or political crisis. It has been shown that the demands of one group of workers, however politically motivated, cannot bring the country to a standstill. It was particularly important that that group should be the miners, because all British governments have tended to be frightened of them.

Moreover, the Government still has one very powerful weapon up its sleeve. It can go on if it has to. Yet it is precisely that confidence of ultimate victory which should compel a pause for thought now.

Mrs Thatcher has often said that there would be no beer and sandwiches at No. 10 under her administration. It is not clear why that dictum should be elevated to a principle that can never be violated.

Mr Ian MacGregor, the chairman of the Coal Board, has many qualities, but he has not emerged as the most subtle or consistent of negotiators, as many of those who watch television will testify. Mr Walker, on the other hand, wins plaudits all round. It would be absurd to risk a full-scale strike throughout the winter merely because of a dogmatic belief that there should be no direct ministerial intervention in a dispute.

As I wrote, such an attempt might very well fail. But in matters like this and in the winter that we might be facing it is terribly important to try to take people with you.

The Government is ready to sit it out

Mrs Thatcher might like to remember some words of Mr Enoch Powell a few weeks ago: "The word 'revolution' is too often lightly used; but it is not an exaggerated description of the drastic nature of the change to which our economy and therefore our society has been subjected and of which the most gross and visible symptom is the level of unemployment."

He then compared the violence on the picket lines to the machine smashing and rick burning of the early decades of the last century. There is something in the analogy.

She might also recall her own words at Brighton last Friday about winning the war and then having to "win the peace." The time is ripe for a call to the TUC before winter sets in.

* Collins. Published 1979.

Lombard

The death of macroeconomics

By Michael Prowse

THE LATEST development in economic theory is the death of macroeconomics. Anybody who doubts the macroeconomics has died of the fatal illness it contracted in the 1970s should look no further than Robert Barro's brilliant textbook, *Macroeconomics*, published this year. The title is a complete misnomer, because the author's principle purpose is to demonstrate that traditional macroeconomics which evolved out of Keynes' writings in the 1930s, is not only wrong-headed but totally redundant. Microeconomics, the study of the optimising behavior of individual households and firms, argues Professor Barro of the University of Chicago, can actually explain aggregate economic events far better than conventional Keynesian theories.

It has to be said that Barro, an acknowledged leader of the influential "new classical" school which has taken the economics profession, especially in the U.S., by storm, performs the Keynesian burial rites with a certain panache. He is, after all, in a uniquely appropriate position to pull the shawl over the prostrate Keynesian body: in the early 1970s it was Barro who provided one of the most exciting new "disequilibrium" interpretations of Keynes' General Theory. Since then he has seen the error of his ways and now seeks to explain all economic phenomena on the basis of classical principles. "Market-clearing"—the notion that prices adjust swiftly to balance supply and demand in all markets—is the touchstone of his new book.

All too aware that in both the UK and the U.S. there remains a small, albeit rapidly ageing, band of diehard Keynesians, Barro takes care to explain why, in a book on macroeconomics, he has relegated the traditional Keynesian synthesis, with all its paraphenalia of IS and LM curves, to chapter 19 — the penultimate section of his new book. Keynesian theories, says Barro beguilingly, are an "advanced topic": it is quite wrong to expose students to them until they have fully mastered the classical market-clearing analysis. Nevertheless, since Barro's persuasive new book may well become a modern classic, supplanting Samuelson's famous textbook which popularised Keynes, future generations of students may grow up regarding Keynesian economics as an irrelevant and esoteric afterthought — an historical dead end.

Does this matter much? In one sense it does not. The conventional Keynesian synthesis has always been a hopeless muddle — a poor representation even of Keynes' writings. It is internally inconsistent and fails to explain adequately the main feature of current economic life — the co-existence of high unemployment and strong inflationary pressures. And nobody has ever been able to manufacture convincing "micro-foundations" for Keynesian economics. It has always been a source of deep embarrassment to economics professors that the lectures they give on micro-economics are wholly inconsistent with those they give on macroeconomics.

Barro offers the profession an attractive way out: simply drop those macroeconomic lectures altogether. It must be admitted that Barro, with his undoubted ingenuity and intelligence, does succeed in providing a fairly plausible micro rationale for many macro phenomena. But it is far from clear whether he jumps the biggest hurdle of all: Barro's chapter on unemployment is his weakest. The market-clearing assumption forces him (and other new classical economists) to explain unemployment primarily as a voluntary phenomenon. How many students are going to believe that nearly 20m Europeans, for example, are jobless mainly through their own choice? If, as is likely, unemployment becomes the Achilles heel of the still supremely confident new classical economists, there may yet be life after death for the economics of Keynes if not for Keynesian economics.

Macroeconomics by Robert Barro is published by John Wiley & Sons. Price £11.50. 520 pages.

Letters to the Editor

Accounting for themselves

From Mr B. White

Sir,—Now that the initial surprise concerning the merger of Deloittes with Price Waterhouse is past, and on the presumption that similar events will arise in the not-too-distant future, I wonder if the time has not come for a thorough revision in the way that the accountancy profession presents itself to the public.

The concept of a partnership is rooted *in* thet *last century*, and in today's conditions there is little relation to reality when in the accountancy and legal professions firms with hundreds of partners exist. When, I wonder, was the last bankruptcy in such a case, causing a partner's personal assets to be seized?

The traditional privilege of partnership has been that no accounts need be published, and in the public interest it seems to me that scope for this is rapidly ceasing. I can think of no other bodies of such public importance that are entirely outside the rules of normal company disclosure. If the trend towards a monopoly continues, the traditional pressures of competition over fees will reduce accordingly, and it will be extremely difficult to determine if one is paying a reasonable amount for one's audit or accountancy services.

In the field of taxation also, the rules concerning commencement and cessation for partnerships appear increasingly anomalous.

I think it may be time for the accountants to account for themselves.

Barry H. White,
51, Fordington Road, N6.

The small investor

From Mr P. Gormley

Sir,—Edgar Palamountain's article "Privatisation alone is just not enough" (October 10) cries out for comment.

Should I be asked my view of stock market investment for the small investor, I would say that it was unwise in the extreme. There is excessive dominance by the soi disant "profesional" investors. These "*professional*" *investors seem* to be prone to lemming-like behaviour in the market place. Is this an efficient market when dominated by such an oligopoly?

The bad odour at present enveloping the Lloyd's insurance market gives rise to very serious reservations about the wisdom of delegating investment responsibility to "professionals." When one reads of a senior law officer of the Crown using the word "*fraud*" to describe some dealings, one cannot but ask whether such dealings confined solely to Lloyd's.

The arrival of negotiated commissions will merely aggravate the present situation. Who will end up paying for the big men's bulk discounts? Dare I suggest the small man?

Philip G. Gormley.
2, Market Place,
Magherafelt, Co Derry.

BT's management style

From the General Secretary, Union of Communication Workers

Sir,—It is all very well for Mike Bett British Telecom's personnel director, to indulge in sabre rattling over compulsory redundancies in the industry (October 17). No doubt it projects an image of "tough" management in the shiny new privatised BT.

But striking that sort of management pose is likely to have precisely the opposite effect to the one apparently intended. Far from assisting with the smooth and necessary introduction of new technology and work methods changes, management by dictat will actually be an *obstruction.*

An entirely false impression was given in the two articles by David Goodhart of something called "BT's once cosy way of life." Readers could be forgiven for thinking that under puhlic ownership BT workers had a cushy number, with technology being beld et bay to protect jobs. In fact, the unions have co-operated fully in the changes which for years kept BT as a world pace-setter. Recently, for example, telephone operator members of our own union experienced big job losses. Over the two-years March 1982 to March 1984, 5,127 telephonist jobs went — a drop of 17 per cent — as exchanges have been closed and the system modernised. Painful though this has been, it has been achieved by agreement. as indeed have the changes that have produced massive job losses among tele*phone* and telegraph operators during the past two decades. Our union has protected the interests of its members, but we have recognised the inevitability of change.

If now we are to be faced with a style of macho management that treats its workforce as if they were ciphers rather than human beings, then there will be resistance of the kind that could ultimately damage BT's prospects. New technology can either be introdnced hy agreement, at the pace individuals can absorb, maintaining a broadly contented workforce, or it can be imposed unilaterally, leaving a sullen and embittered workforce.

As one of the country's largest employers, BT — privatised or not — has a duty to conduct its industrial relations efficiently and effectively. Bnt the omens are not good. Conducting negotiations via hullish interviews in the Financial Times may assist the careers of those who have to look over their shoulders for political patronage of Government Ministers. But they do nothing to inspire confidence among the people who work in the business and whose co-operation is needed if it is to succeed.

Alan Tuffin,
UCW House,
Cresent Lane,
Clapham, SW4.

Integrated circuits

From the Director-General, Elecaronic Components Industry Federation

Sir,—The tahle of the top ten microchip suppliers on the European market alongside Guy de Jonquiere's article (October 11) might suggest that the European market shares held by the non-Enropean companies listed were all supplied from outsida Europe; fortunately this is not the case, since several of the companies have plants in Europe including the UK.

And I douht whether many readers of the article would have guessed from it that according to statistics UK output of integrated *circuits in* 1983 was worth more than £200m.

Output has conttinued to rise rapidly this year, but it is of course still sadiy inadequate compared with the need. From a European point of view the French and German Governments' decision to back tha Philips-Siemens RAM project must be welcome—but what of the UK? The UK Government was, to its credit, one of the *first in Europe* to recognise the need; and earlier this year it reaffirmed its importance by allocating £120m to the micro-electronic industry support programme Mark II (MISP II); it is somewhat ironic that this sum—wbicb is intended to last until 1990 and to be spread over the whole of the micro-electronics industry in the UK—corresponds almost exactly to the amount which according to your report the French and German governments plan to spend hy 1988 on just two products!

And since th eannouncement of MISP II, the value of the £120m has been sharply reduced by the phasing-out of 100 per cent capital allowances.

The Government appears to have accepted that in this crucial area of high technology, market forces alone will not produce the optimum results for the UK because they are so widely and heavily tampered with by our competitors. But is it prepared to take action on the scale necessary?

MISP II is of course welcome—as is the Alvey programme, and the support given by MoD to micro-circuits. Bnt in the financial years 1981-84 Government support (excluding RDGs) actually paid to the whole of the electronics industry totalled £126m; over the same period aid to the shiphuilding industry totalled almost £650m, and to the steel industry no less than £2.14bn!

R. H. W. Bullock.
7-8, Savile Row, W1.

Marginal interest rate trap

From Mr S. Crawshaw

Sir,—I recently moved house and, requiring mortgage finance, I established a chart of interest rates charges by the various building socieeties, together with the steps similar to the one published in your articla of October 3. Your article, although mentioning that tha higher interest rates would be chargeable over the antire loan, did not stress sufficiently tha significance of tha marginal rate of interest on any extra amount.

Using your tahle as an example; a borrowers from the Nationwide who is interested in borrowing £40,000 or £42,000, £45,000 pays interesl before tax.

Loan £	Interest rale %	Total interest payable £	Marginal rala of inlerest %
40,000	13	5,200	—
41,000	14	5,740	54
42,000	14	5,880	34
45,000	14	6,300	22

Column 3 is the total inlerest payahle hefore tax effects. Column 4, the marginal rate of interest, is calculated by delermining the extra interest payahle and charging that to the extra amount of loan required above the inlerest rate threshold, ie, 5,880 − 5,200 = 680 ÷ 2,000 = 34 per cent.

The tahle shows that any customer who horrows £42,000 from the Nationwide is paying 34 per cent for borrowing the extra £2,000. The taxation relief on the inlerest on the first £30,000 would mitigate some of the effect. The message, however, is clear: many horrowers who are abliged to break these interest rate thresholds should consider a separate top-up mortgage scheme, or even charge the extra to their American *Express card!*

Sebestian Crawshaw.
2, Brettingham Gate,
Broome Manor, Swindon, Wilts.

FINANCIAL TIMES

Friday October 19 1984

CAR MAKER IN TALKS WITH JAPANESE GROUPS

Renault seeks components links

BY PAUL BETTS IN PARIS

RENAULT, the state-owned French car group, is in talks with three leading Japanese component companies – all of them very closely linked with Toyota, the largest vehicle manufacturer in Japan. However, there are no direct negotiations between Renault and Toyota itself, Mr Hideo Kameo, vice-president of the Japanese group, insisted yesterday.

He indicated that Renault had "asked to be introduced" to the component groups: Nippon Denso, the leading electrical equipment supplier in Japan; Aisin, which makes power train components; and Toyota Machinery, maker of numerically controlled production equipment.

Mr Kameo suggested that the discussions almost certainly involved supply agreements, joint ventures or knowhow exchanges but he said he had no inside knowledge of what the discussions involved.

Renault confirmed yesterday that it was discussing possible collaboration ventures with Toyota Machine Works, the machine tools and automated products division of the Japanese car group.

Renault said the negotiations might lead eventually to a joint venture, an exchange of technology deal or other types of agreements. The French group said the discussions with Japanese car components groups were part of Renault's general strategy of seeking the latest technology for its various products in various international markets when the necessary technology was not available in France.

Renault recently signed a first agreement with a Japanese components group called Stanley involving the construction of a joint venture plant in France to manufacture liquid crystal dashboard instruments.

The French company is also envisaging collaboration with another company, probably another French group, in the application of ceramics technology in the car industry, and has also forged an industrial alliance with the U.S. Coherent company in industrial lasers and with United Technologies of the U.S. in the electrical connectors business.

M Bernard Hanon, Renault's president, is meanwhile attempting to negotiate the terms of a rationalisation programme with the unions.

Mr Kameo was speaking during the run-up to the Birmingham Motor Show. He also claimed that Toyota had started a serious study to see whether it should build an assembly plant in Western Europe, where it sells about 300,000 cars a year.

He said that a factory capable of producing 120,000 cars a year would probably be economic.

Toyota would particularly watch the progress of Nissan's assembly plant in Britain but any decision to set up a Toyota plant in Europe would depend mainly on the development of protectionism and the spread of restrictions on Japanese car sales.

Mr Kameo agreed that Toyota had so far proved to be highly reluctant to set up big assembly operations outside those markets where local governments insisted upon it. "Our domestic market is our main priority," he said. "If we fail in the domestic market, we fail totally."

He pointed out, in any case, that the joint venture with General Motors to produce cars at a plant in California was a big operation as far as his company was concerned.

Mr Kameo indicated that Toyota was "very satisfied" with its relationship with Lotus, the UK sports car company, in which it has a 17 per cent shareholding and exchanges knowhow. Lotus was helping Toyota with steering systems technology and to improve the roadholding of its cars. "Lotus is well ahead of us with that technology."

Editorial comment, Page 18

Lawson says UK strategy on target

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

MR NIGEL Lawson, the British Chancellor of the Exchequer, yesterday sought to calm the financial markets by assuring them that the Government would not be deflected from the fight against inflation and that its financial strategy was on course.

Mr Lawson made the pledge while addressing the Lord Mayor's banquet in London last night after another turbulent day on the foreign exchange in which the sterling index lost 1.2 per cent of its value against a basket of other currencies.

He sought to emphasise the need for the market to take a responsible and broad view of monetary developments now that the markets had a greater share in the determination of interest rates.

In a flashback to the last sharp fall in sterling in mid July, the Chancellor said that anxieties in the City of London were wrong about the Government's monetary policies at that time and had proved to be "without foundation." He added that its preoccupation with the pound's value against the dollar had been "misplaced."

When the markets' worries were shown to be unfounded, the sharp rise in interest rates, which occurred at the time was partly reversed.

He said there were indications that the markets were taking "a more balanced view" of financial developments, and were paying more attention to the relevance of growth of the money supply for the determination of interest rates.

Mr Lawson was confident that sterling M3 – the broad measure of the money supply – would remain within target for the third successive year.

As monetary growth continued to decelerate, inflation might confidently be expected to fall. After allowing for the recent rise in mortgage interest rates, inflation in the last 9 months had averaged 4.6 per cent compared with 5.3 per cent a year ago.

Coal stocks were high enough to "see us through the winter" and the economy was continuing to grow with a rise of 250,000 in the total number of people in work last year.

The Chancellor made clear that there was to be no change to a more reflationary policy in response to the rise in unemployment. An anti-inflationary policy would go hand in hand with efforts to improve the "supply side" of the economy, he said.

Mr Lawson was clearly trying to reassure the City about the basic health of the economy

Other Mansion House speeches, Page 10

French steel groups expect to cut losses

BY DAVID HOUSEGO IN PARIS

SACILOR and Usinor, France's two state-owned steel groups, expect to cut their losses this year but still expect a combined consolidated deficit of over FFr 8bn ($842m).

M René Loubert, the new chairman of Usinor, has forecast losses of over FFr 4bn this year for his group, after last year's deficit of FFr 5.3bn. The reduction in losses is largely the result of a pick-up in steel demand which is expected to increase turnover for the group by 17 per cent to FFr 38bn.

Sacilor is forecasting losses this year of about FFr 4bn after a FFr 5bn deficit in 1983.

The continuing heavy losses by the state-owned steel groups mean that they will absorb the bulk of the fresh capital endowments of FFr 13bn that the Government is to make to the steel industry under the 1985 budget proposals.

Both groups are also in discussions with the Government in an effort to reschedule their borrowings to reduce their financial charges. The two groups had a combined long-term debt of over FFr 25bn at the end of last year. They see a reduction in their financial charges as a significant step towards eliminating their losses by 1987, as the Government has demanded. Under the EEC steel regime, subsidies to the steel sector are to be phased out by that year.

About half this year's losses will be due to the group's long products divisions (bars, piling) which are in the process of being merged into a new company called Unimetal with sales of FFr 17bn. Sacilor, with a 51 per cent stake against Usinor's 49 per cent, has been given management control.

Restructuring by Unimetal, now under discussion with the trades unions, involves a cut in workforce of 10,000 from the combined long products divisions out of a current labour force of 24,000.

Sacilor and Usinor are also in the process of setting up a jointly owned engineering steel group called Asco Metal. Engineering steels are the other big loss-making centre of the two companies.

Usinor has also announced that it will be taking over the large welded tube division of Vallourec, the French steel tube and public works group, which has sales of FFr fbn of which 80 per cent is accounted for by exports. At the same time it is negotiating with Vallourec to take over Vallourec's share in Valexy, producer of smaller-range steel tubes.

Usinor has 36 per cent of the shares in Valexy and Vallourec 64 per cent.

Vallourec announced yesterday that it had cut first-half losses to FFr 205m compared with FFr 389m in 1983. Sales fell 13 per cent to FFr 3.fbn.

Anatole Kaletsky profiles Nobel economics laureate Sir Richard Stone

Father of national income accounting

IN AWARDING the Nobel Prize for Economics to Prof Sir Richard Stone of King's College, Cambridge, the Swedish Academy of Science has come up with a laureate who is as unlikely to revive allegations of political bias in the selection process as he is certain to command approval within the economics profession.

Sir Richard, 71, who has been called "the father of national income accounting," represents the least glamorous, but probably most useful branch of the economics profession: the statisticians who compile and organise the raw data on which all economic policy decisions must ultimately be based.

His work on collating and reconciling statistics on income and expenditure into a single, internally consistent picture of the whole national economy provides the empirical foundation on which the ideas of all theoretical economists must stand or fall if they are ever put to the test.

His selection for a Nobel Prize is therefore an effective response to charges that the creation of the award has been encouraging a drift in the economic profession towards mathematical or ideological musings that bear little relation to the concrete realities of policymakers in a world that refuses to fit into any perfect model.

After honouring abstract theorists such as last year's laureate, Gerard Debreu, or outspoken political figures such as Friedrich von Hayek and Milton Friedman, the Nobel Prizes have been brought back down to earth with the selection of Prof Stone.

Prof Stone's view of his own work, which began in 1940 in the UK Ministry of Economic Warfare and the Cabinet Office, is characteristically self-effacing and pragmatic. When he first became a serious economist, after a brief spell as an insurance broker in the City of London, "there were already many good minds, led by Keynes" working on the development of economic theory, he says.

The most useful role for him, he felt, was to improve the quality of the information on which those theories would ultimately operate.

"My contribution was to suggest how it might be most helpful to arrange the facts, so that policymakers could then use them for their decisions," he says.

To that end, Prof Stone, collaborating with James Meade, now a fellow Nobel laureate, made the first serious effort to show how the statistics on national income and national expenditure, which should in theory be exactly equal, could be reconciled in practice.

By 1941, the national accounts which he produced were judged by Keynes to be accurate enough for incorporation in that year's British budget: the first time that a budget included a detailed statement of what are today regarded as the key macroeconomic statistics.

His government work culminated in 1944 with the publication of the standard textbook on national income accounting (again in conjunction with Meade). By 1952, Britain's Central Statistical Office, working on Prof Stone's principles, began publishing the annual National Income and Expenditure blue book which is today the Bible of British macroeconomics.

Prof Stone's own work took on an important international dimension after a meeting with U.S. and Canadian government economists in 1944 laid the foundations for a uniform, worldwide methodology for national income accounting. Although the common language they agreed on – including terms such as "gross national product" – was dictated by the American practice, Prof Stone always preferred simpler-sounding words such as "national income." Prof Stone emerged after the second world war as the leading authority on national income accounting.

On leaving the Cabinet Office in 1945, he became the first Director of the Department of Applied Economics in Cambridge, where he set up a National Accounts Research Unit under the auspices of the Organisation of Economic Co-operation and Development, in order to train government statisticians from other countries

He continued that work through the Statistical Office of the United Nations and it culminated in 1968 with the publication of the UN System of National Accounts (SNA), which is now accepted as the basis for macroeconomic measurement in nearly all the world's non-communist countries.

Prof Stone retired in 1980 as Professor of Finance and Accounting at Cambridge University. In addition to his work on national accounting, he has made important contributions to the empirical study of consumer behaviour. In the past 15 years he has concentrated most of his efforts on finding ways to improve the presentation and analysis of social and demographic statistics.

The death of macroeconomics, Page 19

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	S	19	66	Malaga	S	21	70	Salzburg	S	19	66
Akrotiri	F	22	72	Faro	C	20	68	Malta	F	21	70	Seoul	S	22	72
Algiers	-	—	—	Florence	C	19	64	Manila	S	33	87	Singapore	R	31	88
Amsterdam	R	13	55	Frankfurt	C	17	59	Miami	S	28	82	Stockholm	C	9	48
Athens	S	18	64	Funchal	F	22	72	Milan	Fg	13	55	Strasbourg	S	19	66
Bahrain	C	33	90	Geneva	S	19	66	Moscow	C	4	39	Sydney	S	18	64
Bangkok	S	33	91	Gibraltar	C	20	68	Munich	S	16	61	Taipei	C	24	75
Barcelona	F	22	72	Guernsey	S	14	57	Nairobi	—	—	—	Tangier	S	24	75
Beirut	R	24	75	Helsinki	S	10	50	Naples	S	19	66	Tehran	-	—	—
Belgrade	S	16	61	H. Kong	C	26	79	New Delhi	S	33	91	Tel Aviv	R	23	73
Berlin	C	14	57	Innsbruck	S	18	64	New York	C	22	72	Tenerife	S	25	77
Biarritz	S	22	72	Inverness	R	10	50	Nice	S	18	64	Tokyo	C	17	63
Blackpool	C	14	57	Istanbul	-	—	—	Oporto	R	15	59	Toronto	S	15	59
Bordeaux	F	19	66	Jersey	S	14	57	Oslo	C	7	45	Tunis	S	21	70
Brussels	C	14	57	Jo'burg	S	21	70	Paris	R	14	57	Valencia	S	22	72
Budapest	S	13	55	Las Palmas	S	25	77	Prague	S	17	63	Venice	S	16	61
B. Aires	S	22	71	Lima	S	20	68	Reykjavik	C	4	39	Vienna	S	11	52
Cairo	S	30	86	Lisbon	F	18	64	Rio de J'o	S	17	62	Warsaw	C	12	54
Cape Town	-	—	—	Locarno	Fg	15	59	Rome	F	22	72	Zurich	S	17	63
Caracas	S	27	87	London	F	14	57								
Casablanca	F	21	70	Los Angeles	S	21	70								
Copenhagen	C	12	54	Luxembourg	F	16	61								
Corfu	S	21	70	Madrid	S	19	66								
Dublin	F	12	54	Majorca	F	21	70								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

U.S. trade complaint

THE UK Department of Trade and Industry (DTI) is examining a complaint by a British electronics company that its U.S. suppliers have broken off their contracts with it because the company appears on the export denials list issued by the U.S. Department of Commerce, Tom Sealy writes.

The British Government has repeatedly stated thet it does not accept the extra-territorial application of U.S. trade laws.

Mr Brian Butcher, managing director of Contel Equipment Manufacturing Installation, has claimed that General Instrument Microelectronics, the UK subsidiary of a U.S. company, broke off an existing contract and refused to pay for a completed contract.

Tha reasons cited for this action by GI Microelectronics is the inclusion of Contel in the U.S. export denial list. That denies "all privileges of participating directly or indirectly in any transaction involving commodities or technical data imported from the U.S. to any company held to be in breach of U.S. controls on the sale of high-technology equipment to prohibited destinations under the U.S. Export Administration Act."

Mr Butcher claims that Texas Instruments and Rank Xerox have also refused to deal with his company.

British broker warns of price war in City

By Alexander Nicoll in London

MR JOHN BREW, chief executive of Grieveson Grant, one of London's largest stockbroking firms, gave a warning yesterday that planned changes in the structure of Britain's financial markets might lead to a price war and too much playing of the market by primary dealers in UK government securities.

He also criticised the stock exchange's plans for reform of the equities market. The changes in both the gilt and share market, prompted by the dismantling of fixed commission scales, are due to take place by 1986 and have already had wide-ranging effects including plans for acquisition of most leading stockbrokers by outside shareholders.

Mr Brew's remarks appeared likely to widen the debate about the future of British securities markets.

Mr Brew, whose firm has agreed to be acquired for £44m ($52.8m) by Kleinwort Benson, the merchant banking group, said there was a danger too much capital was being poured into stockbroking.

He was addressing a conference in London on "Management Strategy for the Financial Services Revolution" organised by the Financial Times in association with The Banker magazine.

"I am worried at the apparent intention of the Bank of England to insist on separately capitalised primary dealerships in the gilt-edged market. I fear that richly capitalised gilt-edged operations . . . will be tempted, in quiet times, to operate in a speculative way which will eventually harm the market," Mr Brew said.

He suggested that capital requirements for the dealerships could be met without money leaving the parent, through a guarantee. "Failing that, I hope that the Bank [Bank of England] will be lenient about giving permission to move capital at short notice in and out of a gilt-edged subsidiary."

Establishment of the new gilts market, replacing the current system where two stockjobbers or market-makers dominate the primary market, might lead to "a messy situation," disappointment and a price war because the amount of capital poured into dealerships will be unrealistically high relative to the revenue they could expect to earn, Mr Brew said.

His candid expression of doubts about the new structure also extended to the equities market, for which the stock exchange plans to introduce a competing market maker system similar to the U.S. Nasdaq system.

"I am reasonably certain that the system will not work for us as advertised," he said. Nasdaq operates alongside the New York Stock Exchange, with NYSE business providing a stream of commission income to securities firms. "I bave not met one New York practitioner who believes thet Nasdaq would survive on its own," Mr Brew said.

Clients actually like paying commission but the Nasdaq system makes commission payment difficult, he said. "I predict a messy period of evolution at the end of which we shall, I hope, emerge with a distinction between wholesale and retail business."

On the positive side, Grieveson Grant would be able to benefit from *the changes* by *expanding its* international operations. It also planned, while becoming a position-taker in securities markets, to develop hedging activities in futures and options markets.

Conference report, Page 11

£ falls again, putting rates under pressure

Continued from Page 1

discounted – of intervention by the West German Bundesbank had pushed it as low as DM3.09 in afternoon dealings.

■ In New York, writes Terry Dodsworth, trading in sterling was extremely erratic. It strengthened from its London close in mid-afternoon, only to lose ground again to finish at $1.860.

The dollar, meanwhile, lost ground in what traders described as vigorous and volatile trading. It finished at DM 3.0890 and Y248.20.

Dealers said sentiment for the dollar was depressed by fears of Bundesbank intervention, combined with forecasts thet the figures for third-quarter GNP growth will be revised downwards, indicating lower interest rates which would be less attractive for foreign investors.

THE LEX COLUMN

Playing dominoes at the wellhead

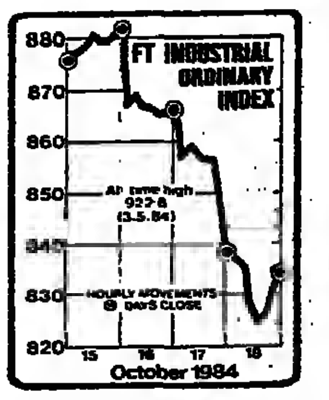
The City of London is an unhappy place just now. This week's round of competitive price cutting in the North Sea is forcing the markets to stare at the risk of a downward spiral – in crude prices and oil shares alike – while justified nervousness about oil is having its usual effect on that other trading commodity, sterling. Selling the pound has again seemed an easy way to make money, so long as the speculator keeps an eye out for signs of higher interest rates in the UK. It is something of a toss-up whether the chances of stability are greater for currencies or for the oil market.

The threat of Opec members' breaking rank, as nerves fray in the 10 days before their meeting, cannot be ignored. Yet the producers' certain knowledge of increased demand during the final quarter should by rights keep everybody in line – provided thet immediate needs for cash are not too pressing.

If it is not by then too late, Opec's quota meeting may even have a chance to address the underlying weakness of the market. Switching to a two-tier quota system – permitting large liftings through the winter at the price of restrictions next spring – may be a useful method for buying more stability than could be gained by trying to cut production now.

Although the North Sea producers were weak defenders of the old price, and could not have held it without Opec's help, BNOC's move can scarcely have reduced the probability of a spiral. Like an old-fashioned central bank, its decision to stop defending the fixed parity has the appearance of being half-hearted and too late to prevent a run on the currency – in this case North Sea marker crude. To take the parallel seriously, it may be that BNOC has decided to take its cue from the Bank of England, withdrawing finally to a more passive price-taking role.

That, too, has its cost and dangers. As was only too clear in July, a policy of non-intervention invites speculators to turn the market into a one-way street. If the Chancellor is now preparing to ride out the latest sterling squall, the justification must be that he has more or less managed to control the supply of his commodity – sterling. His problem is that other producers, like the Federal Reserve, may have been even more restrained. BNOC's troubles are quite different.



Taxing bonds

Not for the first time, the right hand of the U.S. Treasury seems not to know what the left hand is doing. Just as the capital-raising division is gearing itself up for the formidable task of selling up to $2bn of special Treasury bonds to Eurobond investors (who are notoriously sensitive about their income being taxed), the Internal Revenue Service, itself part of the Treasury, has decided to give those investors a jolt. The IRS has announced that up to 10 previously tax-free Eurobonds issued in the summer will now be subject to 30 per cent withholding tax on their interest payments.

The borrowers will undoubtedly appeal against the ruling; since it is retroactive, they will have to pay tax on all the accrued interest from the issue date even if they decide to call in the bonds. What is patently unfair is that when many of the bonds were issued, they were well within the law. But the IRS has chosen to include all bonds with closing dates between June 22 and July 18 – that is, the date when the bond starts trading in the secondary market.

Borrowers will at least have the chance to refinance at a lower cost, since rates have fallen, but that advantage may be wiped out by the tax payment and fees to lawyers and accountants.

Bondholders will almost certainly lose out as the bonds which they may have bought at 102 will only be redeemed at par. But the ultimate loser is likely to be the Treasury. The move will only confirm the worst suspicions of those conservative investors who see the U.S. Government as fickle and liable to slap a tax on them at any time. As a result, investment houses bidding for Treasury paper at next week's inaugural European auction may demand a higher yield. The Treasury is being strangely cavalier with investors whose money it seems to need so badly.

Reckitt-Kiwi

The board of Nicholas Kiwi appears to have overestimated the regulatory obstacles facing Reckitt and Colman's bid. The Australian Finance Minister yesterday gave it the green light, catching most of the market on the hop as well as Kiwi itself. Perhaps the target company has also underestimated the tax and legal complications facing the rival bid from Consolidated Foods (CFC), which it has recommended. Presumably to protect itself against this possibility – and in keeping with the usual rough and tumble of take-overs down under – Kiwi has anyway stayed in touch with Reckitt: a shrewd move in the light of Reckitt's evident determination to make a real fight of it.

In the process of raising its own holding to 14 per cent, however, there is no firm indication that Reckitt has yet managed to shake the resolve of the family interests controlling 40-45 per cent of Kiwi. It will have to win over at least half of them, as well as a good many of the Australian institutions, to have much chance of defeating a pro-CFC resolution scheduled for October 31, which needs only 50 per cent support.

A bid of just under A$4.30 per share – equivalent to an A$0.40 increase on the earlier bid after adjusting for a bonus issue – looks the most likely next step. That should cause Reckitt's shareholders no unease, though it could involve some marginal earnings dilution for a while. Whether CFC will be content to leave matters there is quite another question.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday October 19 1984

Apple earnings soar six-fold in quarter

BY LOUISE KEHOE IN SAN FRANCISCO

APPLE, the U.S. personal computer manufacturer, has achieved a six-fold jump in fourth-quarter earnings to a record $30.8m, compared with $5.1m a year earlier.

Despite increasing its earnings in each of the four quarters to September 28, however, the group finished with lower annual earnings of $54.1m, or $1.06 a share, against $78.7m or $1.28 in 1983. Per share earnings in the fourth quarter were 50 cents.

Sales for the year were a record $1.5bn, up 54 per cent from the 1983 total of $982m. Fourth-quarter sales were $477.4m, a 75 per cent increase over the $273m recorded in the final quarter of fiscal 1983, and a 13 per cent increase over the 1984 third quarter.

Apple's quarterly earnings included a $4.9m tax benefit due to changes in U.S. tax regulations.

Operating income for 1984 fell to $91.4m from $129.8m in 1983.

Commenting on the results, Mr John Sculley, Apple's president, said: "1984 has been a year of unparalled challenge for Apple. Through industry-leading product development and innovative marketing, we have firmly established our position in the market. Apple has chosen the role of innovator and has survived the industry shakeout as a leader."

Apple attributed much of its sales growth to the two new personal computers that it has introduced over the past 12 months. Sales of Macintosh, Apple's office personal computer, are picking up as more applications software becomes available for the new machine, according to market analysts.

The Apple IIC, an updated version of Apple's established Apple II home computer, is also gaining market share, boosted by a price reduction in July. The older model, however, is still Apple's chief revenue generator.

Racal's £170m bid wins Chubb

By Charles Batchelor in London

CHUBB & SON, Britain's largest security equipment group, yesterday succumbed to a £170m ($200m) takeover bid from Racal Electronics, the UK defence and communications company, after a hard-fought 10-week battle.

Racal obtained acceptances from the holders of 66.4 per cent of Chubb's ordinary shares, with its revised share and loan stock offer taking its total holding to 69.8 per cent of Chubb's enlarged capital.

The success of Racal's bid will create a new security division within the company, to be known as Racal-Chubb and with annual sales of £450m. Racal will contribute £125m worth of security turnover to the division.

Sir Ernest Harrison, chairman of Racal, said: "We both have a super business in security and I am sure we will dominate the world. Chubb is in the low-technology end and we are in the high-tech end of the business. We will be able to equip anyone with total security from the perimeter of their premises to the safe."

Racal has no plans to dispose of any parts of Chubb's diversified business, which ranges from locks and vaults to electronic alarms.

Chubb's fate was sealed when most of the UK financial institutions, which together controlled 62 per cent of the shares, accepted the Racal offer.

Despite a Chubb forecast that its profits would rise 25 per cent to £16m in the year to March 1985, the company was brought down by its indifferent record of the past five years.

Chubb's shares fell 1p to 267p yesterday, while Racal was 2p lower at 248p.

U.S. CHEMICAL GROUPS REPORT MIXED RESULTS AFTER NINE MONTHS

Dow Chemical upturn continues

BY WILLIAM HALL IN NEW YORK

DOW CHEMICAL, the second biggest U.S. chemicals company, is continuing its rapid profits recovery, with third-quarter net income rising 76 per cent to $176m. Monsanto, the fourth biggest U.S. chemicals company, however, recorded lower profits as a result of setbacks in its important agrochemicals business.

Monsanto reported third-quarter earnings of $78m or 97 cents per share, compared with $115m a year ago, when the results were boosted by special factors totalling $28m.

The group said that its operating income fell by 3 per cent in the latest quarter and strong gains in some parts of its business were offset by weaker industrial chemical prices and lower sales of Roundup, its important herbicide.

Dow, whose sales rose by 2.4 per cent in the quarter to $2.8bn, said that while it saw the usual summer downturn in Europe, its global business remained quite strong. It described its earnings from the Pacific Basin and Brazil as "excellent", and said that the U.S. also showed improvement, compared with last year.

It noted, however, that the results in its home market were hampered by difficult market conditions for vinyl chloride and ethylene glycol.

The company said that its basic chemicals and plastics businesses were "in a much better position" than they were in 1983, but it noted that the tremendous growth seen in the worldwide plastics business during the past year has moderated.

Dow's agricultural products and industrial special chemical operations reported another strong quarter, the company said.

Dow's third quarter figures were boosted by a $20m gain from the sale of 50 per cent of Dowell Canada to Schlumberger and a $39m reduction in estimated taxes because of the cancellation of deferred tax obligations for domestic international sales corporations.

For the nine months, Dow's net income rose by 93 per cent to $506m or $2.60 per share, on the back of a 6.7 per cent rise in sales to $8.7bn.

Celanese Corporation's rapid profit growth of earlier in the year slowed in the third quarter. Its net income rose by 18 per cent to $71m or $2.73 per share, while for the nine months its net income is 62 per cent ahead at $242m.

Earnings per share for the nine month period are 134 per cent better at $8.53 because of a reduction in the number of shares outstanding.

Sears Roebuck boosted by tax credit and capital gains

BY TERRY DODSWORTH IN NEW YORK

SEARS ROEBUCK, the world's largest retailer, reported an 11.5 per cent jump in net income in the third quarter, but only after a hefty tax credit in its insurance division and much higher non-recurring capital gains.

Earnings rose to $321.9m, or 88 cents a share, from $288.8m or 81 cents a share, while revenues increased by 6 per cent to $9.65bn from $8.93bn.

This included a $80m credit in the Allstate Insurance group, reflecting the reduction in deferred income tax under the 1984 tax reform Act. In addition, net after-tax realized capital gains and other income totalled $28.3m against $4.7m last year.

For the first nine months, consolidated net income rose 17.4 per cent to $891.7m, or 2.47 a share, against $759.5m, or $2.15 a share, while revenues increased 9.5 per cent to $27.5bn from $25bn.

Sears suffered a variety of problems in the quarter, including low growth in its main merchandising division and losses in both its Dean Witter Financial Services group and Sears World Trade, its barter company. Mr Edward Telling, chairman, said that revenues at Sears Merchandise, which grew to $6.45bn from $6.19bn, reflected smaller gains in durable goods after two years of double digit increases. Net income amounted to $163.8m, compared with $158.9m.

Income at Allstate rose to $211.4m from $146m after taking in the tax credit. Dean Witter however recorded a loss of $7.6m compared with a profit of $9.3m in the same period last year.

Sears World Trade lost $7m against a loss of $3.2m a year ago, while Coldwell Banker real estate group saw a downturn in profits from $6.7m to $4.6m.

Reynolds goes ahead to $229m

By Our New York Staff

R. J. REYNOLDS Industries, the second biggest cigarette manufacturer in the U.S., increased earnings from continuing operations by 5.5 per cent to $229m or $1.90 a share in the third quarter. Sales rose by 9.5 per cent to $3.22bn.

Final net earnings are little changed at $253m, or $2.11 a share, after taking io profits for both quarters from discontinued operations. Net in the comparable quarter totalled $251m, or $2.08 a share.

Tobacco profits now contribute only about 15 per cent of the total at Reynolds, wbich is extending its restructuring plan with the sale of Aminoil, its oil and gas subsidiary, to Phillips Petroleum for $1.7bo cash.

Net operating profits for the first nine months rose from $502m, or $4.03 a share, to $584m, or 4.77 a share, while sales were up from $9bn to $9.44bn.

UK group to quit cable TV market

BY JASON CRISP IN LONDON

VISIONHIRE, until recently Britain's second largest cable TV company, is effectively withdrawing from the business other than meeting its contractual obligations.

The move is another setback for British Government hopes of creating a cable TV revolution in the country. Visionhire blames government delays in awarding franchises and setting up the Cable Authority and the change in capital allowances in the 1984 budget for its decision.

"We now believe that the cabling of the UK will be a much longer and more costly process than seemed likely a year ago, and that the prospects of Visionhire Cable generating meaningful profits from this area oo a normal commercial time scale are too remote to justify our continued involvement," said Mr David Hurley, managing director of the parent company, Electronic Rentals Group (ERG).

ERG stated yesterday that it would not apply for any further cable franchises nor would it supply new services on its existing networks. Visionshire is now in discussion with unnamed Scottish interests about the future of its East Kilbride network, wbere the new services have recently started.

Visionhire had been offering four channels TEN (feature films), Screensport, Music Box and Children's Channel – on an old cable network in East Kilbride wbich formerly carried BBC and ITV programmes. Unless the discussions reach a positive conclusion in the next few days the oetwork will close by the end of next month, says ERG.

ERG said the company would now develop its operations in communal aerials and surveillance and security systems associated with cable.

Recovery at European American

By Our New York Staff

EUROPEAN American Bank, the New York consortium bank owned by six leading European banks, has returned to profits after its surprise $137.75m second-quarter loss.

The bank reported net inrome in the third quarter of $131m, compared with a profit of $8.1m last year.

The bank's ratio of possible losses to loans outstanding climbed to 1.3 per cent from 1.12 per cent in the second quarter of 1984.

Non-performing loans at September 30 totalled $293.1m of 5.1 per cent of the total, essentially unchanged from the level at June 30, the bank said.

At the nine-month stage, losses totalled $134.3m against net profits of $26.1m. The second-quarter loss was doe mainly to a write-off of problem loans. As a result, sharebolders were forced to inject an additional $80m new capital into the group.

Lloyds Bank to consolidate operations

By David Lascelles in London

LLOYDS BANK, the smallest of the big four UK clearing banks, its to unify its worldwide operations by merging Lloyds Bank International into the group.

LBI, which accounts for about 40 per cent of Lloyds total assets, is currently a wholly-owned subsidiary with its own management and chairman.

Sir Jeremy Morse, chairman of the Lloyds group, said yesterday: "Our group has been formed over the years from a number of different banks. We have now reached the point when we can take a major step in unifying them under the Lloyds Bank name, and this will strengthen our ability to compete in a highly competitive world."

Lloyds denied that the merger was connected with LBI's recent poor performance and the recent leak of a memo from Mr Eric Whittle, its chief executive, to senior staff calling for greater effort.

LBI has total assets of £16.3bn ($19.56bn) and capital of £578m, making it a sizeable international bank in its own rigbt.

The merger, which will require shareholders approval, needs a special Act of Parliament for technical reasons. Lloyds hopes to effect the merger on January 1, 1986. It follows a similar move by Barclays, which is merging with its international arm next January.

Details, Page 25

Static third quarter for Sterling Drug

By Our Financial Staff

STERLING Drug, the U.S. drugs and households products group, yesterday reported flat third-quarter net profits of $45.3m or 75 cents a share, compared with $44.8m or 73 cents. The latest earnings include a $4.5m pre-tax gain from the recent sale of several proprietary products. The sale was partly responsible for a lower effective tax rate of 44.9 per cent against 46 per cent.

Net earnings for the first nine months rose from $101.3m or $1.66 a share to $106.1m or $1.75.

ABC exceeds forecasts

By Our Financial staff

AMERICAN Broadcasting Companies (ABC), which operates the ABC television network in the U.S. and several radio stations, reported third-quarter earnings slightly higher than Wall Street estimates.

Profits rose from $31.8m, or $1.08 a share, to $46.6m, or $1.61, taking nine-month earnings to $142.9m, or $4.91 a share, against $110.3m, or $3.76.

Olivetti and AT&T sign new products pact

BY ALAN FRIEDMAN IN MILAN

OLIVETTI, the Italian data processing equipment maker, has signed a new agreement with AT&T, its global partner, to co-ordinate the design and manufacture of a oew range of workstations and operating systems.

Although the companies did not specify which new products they might launch, a statement yesterday said the plan was for both to work more closely in the design, development, manufacture and marketing of workstations and related equipment. AT&T last December bought 25 per cent of Olivetti and ordered $250m of workstations over the next year.

In particular, Olivetti and AT&T are to develop a common strategy aimed at the Ms-Dos and Unix software, language and operating systems markets. The partners will manufacture the new line of products. They will both market AT&T's line of 3B minicomputers and the Unix operating system.

Olivetti said that it planned to continue manufacturing the PC 6300 personal computer which it designed and enhanced to AT&T specifications. The PC 6300 belongs to the same family of personal computers designed by Olivetti and sold in all markets under the trademark M-24.

Sig Carlo de Benedetti, Olivetti chairman, said last night the agreement represented "a logical consequence of the strategic alliance between Olivetti and AT&T, and exploits the synergy between the two companies." He said the agreement would protect the investments already made by Olivetti in the automation of its production.

Mr James Olson, chairman of AT&T Technologies, said the agreement "enables us to combine the strengths of both AT&T and Olivetti in the dynamic personal computer and workstation areas and reinforces our ability to serve our customers in the global marketplace."

3M pushes ahead despite strong $

BY WILLIAM HALL IN NEW YORK

MINNESOTA MINING & Manufacturing (3M), the U.S. conglomerate which sells more than a third of its products overseas, increased its third-quarter net income by 11.2 per cent to $198m, notwithstanding the adverse impact of the strong dollar.

Lewis W. Lehr, 3M's chairman, says that the group's businesses performed well across the board with "double-digit unit-volume gains in both the U.S. had abroad." U.S. volume increased 14 per cent in the third quarter, matching the gains in the first two quarters of the year.

In the international markets, 3M's unit volume rose 12 per cent and the group says its profit margins improved at home and abroad, despite the stronger dollar. 3M estimates that its worldwide net income in the third quarter was reduced by $17m, or 14 cents a share, because of the dollar's strength.

The group earned $1.70 per share in the latest period, up from $1.51 per share in the third quarter of 1983. For the nine months earnings per share total $4.84 per share, compared with $4.28 per share in the same period of 1983.

3M's net income in the first three quarters of 1984 rose by 12.3 per cent to $566m and sales increased 10.4 per cent to $5.83bn.

The company is cautiously optimistic about the final quarter of 1984. Mr Lehr says that "despite the continuing strength of the dollar and a somewhat reduced rate of economic growth in the U.S., we expect a good increase in sales and earnings for the year as a whole."

Borregaard advances at eight months

BY FLEMMING DAAL IN OSLO

BORREGAARD – the Norwegian foodstuffs, forest products, chemicals and metals group, reports a pre-tax profit of NKr 65.7m ($7.4m) for the first eight months of 1984, up from NKr 21.3m in the same period last year.

The group still expects a better year-end result than the pre-tax profit of NKr 112.4m achieved in 1983.

The January-August sales figure was NKr 2.96bn, a 22 per cent increase compared with the same period in 1983.

Tha improvement was mainly due to higher sales volumes and prices for a number of key products, especially chemical products edible oils and fats.

The gross operating result for the eight months was NKr 268.5m, up from NKr 204.4m. The result after ordinary depreciation was NKr 148.2m, up from NKr 92.1m, and before extraordinary items NKr 65m, up from NKr 13.5m. The net exchange loss was NKr 3.6m.

The proposed merger between Borregaard and Saetre – Norway's largest producer of biscuits – has been approved by shareholders of both companies and is to be effective from December 31 this year.

Bankers aid decision on Conrail sale

By Our Financial Staff

LAZARD Frères, the merchant bank, bas been asked by the U.S. House energy and commerce rommittee to evaluate the three private bids for the government's 85 per cent holding in Consolidated Rail.

The investment rompany will also analyse the advantages of selling Conrail through a public offering, instead of a private sale.

The U.S. Department of Transportation has said it intended to select the buyer from Alleghany, Norfolk Southern and a group beaded by J. Willard Marriott. Congress bas to approve the sale.

Meanwhile Conrail has reported a jump in net earnings to $133.1m, or $4.92 a share, from $85.8m, or $3.21, for the third quarter. This took the nine-month figures to $387.9m, or $14.35, against $195.5m, or $7.31.

Sales for the quarter reached $843.6m ($760.3m) and for the nine months $2.59m ($2.27bn).

Inland Steel warns of new job cuts

By Terry Dodsworth in New York

INLAND STEEL, the fourth largest U.S. steel company, is considering a new round of redundancies following its slip back into loss in the third quarter.

The downturn in the largest reporting period follows two quarters of profits in which the company appeared to be pulling out of its problems. In the two years to the end of 1983, the group ran up a deficit of $23bm, but the losses had been stemmed this year by first-half aarnings of $26m.

In the third quarter, however, Inland shumped to a net loss of $37.9m, against a loss of $21.2m a year ago, as sales rose by 5 per cent from $761m to $800m. The loss was exaggerated by $25m worth of special provisions against closures and the reversal of a tax credit. At an operating level however losses still amounted to $12.6m.

Net losses over the first nine months came to $11.3m, against $71m a year ago, while sales amounted to $2.6bn against $2.2bn.

Inland said it had been hit in the third quarter by price pressures and low deliveries resulting from the record level of steel imports. Deliveries went down by 18 per cent compared with the second quarter, and at 1.14m tons were even slightly down from the 1.17m tons recorded in the same period last year.

As a result its plants operated at only 62.4 per cent of capacity.

INTL. COMPANIES and FINANCE

New INI chairman reshuffles management

By David White in Madrid

INI, the sprawling Spanish state group, has been subjected to its second major organisational reshuffle since the Socialist government took power less than two years ago.

The changes are a further attempt to improve management control of the group, which lost Pta 160bn (about $1bn) last year, and coincide with a plan for concentrating investment on sorting out problem sectors and temporarily abandoning expansion and diversification projects.

The reorganisation was announced after the first board meeting this week under the new government - appointed chairman, 34-year-old Sr Luis Carlos Croissier. He was moved into the job last week from his post as under-secretary in the Industry Ministry, replacing Sr Enrique Moya, the independent whom the Socialists first chose for the INI chairmanship.

The reorganisation is aimed at centralising planning and control. The group, by far Spain's largest industrial concern, with 220,000 employees, is due to develop on the basis of "sub-holding companies" rather than its current 14 industrial divisions.

The main innovation is a separate main division for sectors scheduled for reconversion, including the state steel mills, shipyards and coalmines. This has been placed under INI'S previous planning director, Sr Alfredo Pastor.

Elf U.S. subsidiary to step up acid output

BY PAUL BETTS IN PARIS

TEXASGULF, the large U.S. chemicals subsidiary of the French state-controlled Elf Aquitaine oil group, is to increase by 25 per cent the production capacity of phosphoric acid at its Lee Creek plant in North Carolina.

This will increase the capacity of Texasgulf's phosphoric acid by 250,000 tonnes to 1,250,000 of P'O' a year, disclosed M Gilbert Rutman, deputy chairman of Elf Aquitaine, in Paris.

He also confirmed that he expected Texasgulf's chemical operations to contribute a $80m cash flow to the French parent company this year. While this is an improvement on last year, and especially on 1982 when Texasgulf barely broke even, Elf's U.S. acquisition continues to represent a net financial burden for the French oil group.

Elf is currently paying $300m a year over a seven-year period to pay back the principal and interest on its debts to finance its U.S. acquisition — the largest of a U.S. company by a French group.

Elf had to resort to foreign borrowing because the French authorities prevented it from transferring French funds outside the country.

M Rutman also said that Elf was now consolidating its debts to pay for Texasgulf into long-term paper carrying an average of between 10 and 12 per cent interest rate. At the time of the acquisition in 1981, Elf financed the deal by borrowing on the short-term floating rate market because the U.S. prime rate was then at peak levels.

M Rutman said that after major restructuring and the gradual turnround of the market, Texasgulf was now beginning to show signs of promise. Elf is in particular banking on Texasgulf's large phosphate interests for the long-term pay-off of its U.S. investment.

Texasgulf's phosphate sales rose by 30 per cent during the last 12-month period. M Rutman indicated that Elf wanted to expand gradually the subsidiary's phosphate activities over the next eight to nine years.

Elf bought Texasgulf for $2.3bn in 1981 at the time of a wave of major takeovers in the U.S. of natural resources companies by big oil groups. But the deal involved Elf selling its Canadian interests and the Canadian interests of Texasgulf to the Canadian Development Corporation, the single largest shareholder in Texasgulf, in return for Texasgulf's U.S. assets. As a result of this swap, Elf ended up paying $1.3bn for the U.S. assets of Texasgulf.

Paribas returns to New York

BY DAVID MARSH IN PARIS

PARIBAS, the French state-owned financial group, is setting up a New York-based investment banking venture. Paribas Corporation, to strengthen its foothold in the U.S. after selling in August its investment banking subsidiary, Becker-Paribas, to Merrill Lynch.

The move, which will take effect shortly, aims to give the group a new platform from which to steer its investment banking and securities business in the U.S.

Paribas Corporation will have a staff of more than 50, with management coming from the group's Paris headquarters. This will supplement the group's commercial banking operations in the U.S. and Canada, where it has a network of 10 branches and representative offices, and a balance sheet of $4bn.

In August Paribas sold Becker-Paribas for $100m, taking in the form of proceeds a stake of 3 per cent in Merrill Lynch which it aims to increase to 5 per cent. This was after mounting securities losses at Becker-Paribas and a series of shareholding changes which had seen Paribas taking 100 per cent control of the company by buying out the 45 per cent stake previously held by staff.

Paribas Corporation is a legal entity which existed in the early 1970s but which was made unoperational by Paribas' involvement in Becker, initially in partnership with S. G. Warburg, over the last decade.

Paribas aims in particular to continue building up its U.S. securities market activities, where this year it has been involved in the management of five issues for savings and loans institutions.

Decline for Cardo at eight months

BY DAVID BROWN IN STOCKHOLM

CARDO, the Swedish sugar, seeds and bio-technology group, reports a decline in operating income for the first eight months ended August and forecasts its full-year earnings will fall by 10 per cent from the SKr 408m ($46.3m) achieved in 1983.

Sales for the operating companies were ahead by 7 per cent to SKr 2bn but costs climbed at 11 per cent to SKr 1.67bn. Operating results after depreciation fell by SKr 37m or 9 per cent. to SKr 342m.

Earnings from dividends, securities sales and interest fell from SKr 23m to SKr 119m and the total value of Cardo's share portfolio declined by 7.8 per cent.

The group posted extraordinary income of SKr 115m from the introduction of its Hilleshog plant breeding subsidiary on the Swedish stock exchange, which brought pretax results to SKr 576m, an increase of SKr 55m or 10 per cent.

U.S. QUARTERLY RESULTS

AMERICAN HOSPITAL SUPPLY
Hospital and laboratory equipment

Third quarter	1984 $	1983 $
Revenue	849.5m	839.5m
Net profits	56.9m	56.2m
Net per share	0.77	0.75
Nine months		
Revenue	2.57bn	2.47bn
Net profits	175.9m	158m
Net per share	2.38	2.13

ALLIED BANCSHARES
Bank holding, insurance

Third quarter	1984 $	1983 $
Net profits	30.3m	26.8m
Net per share	0.74	0.65
Nine months		
Net profits	87.8m	77.6m
Net per share	2.14	1.90

ARCHER DANIELS MIDLAND
Corn refiner, miller

First quarter	1984-85 $	1983-84 $
Net profits	31.64m	35.41m
Net per share	0.33	0.39

BANC ONE
Multi-bank holding company

Third quarter	1984 $	1983 $
Net profits	28.6m	23.5m
Net per share	0.75	0.67
Nine months		
Net profits	80.2m	59.9m
Net per share	2.15	1.80

BURLINGTON NORTHERN
Railway, natural resources

Third quarter	1984 $	1983 $
Revenue	2.4bn	1.2bn
Net profits	151m	140.2m
Net per share	1.90	1.85
Nine months		
Revenue	7bn	3.3bn
Net profits	475.3m	299.6m
Net per share	5.60	3.93

CONTINENTAL TELECOM
Telephone service

Third quarter	1984 $	1983 $
Revenue	581.1m	544.4m
Net profits	49m	44m
Net per share	0.63	0.61
Nine months		
Revenue	1.69bn	1.57bn
Net profits	138.2m	125.2m
Net per share	1.89	1.75

CORNING GLASS WORKS
Special glass products

First quarter	1984-85 $	1983-84 $
Revenue	500.1m	479.1m
Net profits	15.1m	22.4
Net per share	0.17	1.06

CPC INTERNATIONAL
Grocery products & milling

Third quarter	1984-85 $	1983-84 $
Revenue	1.12bn	1.05bn
Net loss	53.1m	53.1m
Net per share	1.09	1.09
Nine months		
Revenue	3.3bn	3.02bn
Net profits	138.2m	137.1m
Net per share	2.84	2.82

DANA
Vehicle parts

Third quarter	1984 $	1983 $
Revenue	862.8m	709.9m
Net profits	48.6m	31.8m
Net per share	0.86	0.57
Nine months		
Revenue	2.7bn	2.1bn
Net profits	142.6m	78.2m
Net per share	2.53	1.38

DOVER
Elevators, industrial equipment

Third quarter	1984 $	1983 $
Revenue	303.4m	253.1m
Net profits	27.95m	17.52m
Net per share	0.78	0.49
Nine months		
Revenue	923.1m	744.7m
Net profits	75.63m	53.3m
Net per share	2.12	1.50

FIRST BOSTON
Securities dealer

Third quarter	1984 $	1983 $
Net profits	18.3m	15.1m
Net per share	1.45	1.23
Nine months		
Revenue	409m	387m
Net profits	55.7m	60.1m
Net per share	4.40	5.05

FIRST PENNSYLVANIA
Bank holding co.

Third quarter	1984 $	1983 $
Net profits	11.6m	2m†
Net per share	0.29	0.12†
Nine months		
Assets	5.5bn	5.15bn
Net profits	24.7m	9.7m†
Net per share	0.52	0.80†

† Loss

GAF
Building materials

Third quarter	1984 $	1983 $
Revenue	203.8m	184m
Net profits	12.1	5.8m
Net per share	0.79	0.35
Nine months		
Revenue	585m	531.7m
Net profits	31.4m	9.79m
Net per share	2.01	0.52

LIBBEY-OWENS-FORD
Glass products, fluid power parts

Third quarter	1984 $	1983 $
Revenue	422.9m	298.5m
Net profits	15.8m	8.55m
Net per share	1.29	0.68
Nine months		
Revenue	1.33bn	859.1m
Net profits	53.5m	23.6m
Net per share	4.42	1.79

G. D. SEARLE
Drugs, optical products

Third quarter	1984 $	1983 $
Revenue	307.6m	281.3m
Net profits	44.8m	07.2m*
Net per share	0.90	1.35*
Nine months		
Revenue	911.5m	861.8m
Net profits	108.3m	107.5m*
Net per share	2.15	2.16

* Includes gains on disposals of $24.6m in quarter and $27.4m in nine months.

TEXAS COMMERCE BANCSHARES
Multi-bank holding company

Third quarter	1984 $	1983 $
Net profits	46.4m	44.4m
Net per share	1.43	1.38
Nine months		
Net profits	138.6m	133.6m
Net per share	4.27	4.15

TANDY
Largest U.S. electronics retailer

First quarter	1984-85 $	1983-84 $
Revenue	606.8m	583.4m
Net profits	37.4m	56.6m
Net per share	0.41	0.67

Astra to seek London share listing

By David Brown in Stockholm

ASTRA, the Swedish pharmaceuticals group, achieved a strong improvement in pre-tax earnings for the eight months ending August and has upgraded its forecast for full year results to a 25 per cent rise from the SKr 631m ($72m) in 1983. The company plans to seek a listing on the London Stock Exchange.

Total sales climbed by 10 per cent to SKr 2.5bn, with the biggest rises coming in North and South America. Foreign markets now account for 82 per cent of Astra turnover. Costs grew by only 5 per cent, yielding a SKr 582m profit after virtually unchanged financial items but before taxes and appropriations, representing an increase of SKr 142m or 34 per cent over the same period last year.

The group reports e 27 per cent rise in the sale of its Theodur anti-asthma product and approval of the Dricanyl asthma aerosol by U.S. regulatory authorities.

Coca-Cola up in third quarter

By Terry Byland in New York

COCA-COLA boosted its third quarter earnings with strong growth in sales in Japan and by further successes at the Columbia Pictures subsidiary.

Net income for the quarter rose by 15.8 per cent to $175.3m or $1.34 a share on a sales gain of 13.2 per cent to $2.1bn at the operating level. Share earnings recorded the strongest gain for 11 quarters, reported the board.

Nine-month earnings now show a 15 per cent increase at $498.4m or $3.76 on sales of $5.6bn, 9.5 per cent up. International soft drink sales were increased by 4 per cent for the nine months but the effect of a strong dollar on profits repatriation restrained growth in international earnings.

All three international divisions — Pacific, Latin America, and Europe/Africa — increased operating income in the third quarter. Unit volume jumped by 15 per cent in the UK but fell by 6 per cent in West Germany, where sales were affected by the prolonged metalworkers' strike.

Mr Roberto Goizueta, chairman, commented that the film and entertainment division is pursuing a strategy of pre-licensing agreements, using third party equity, which is producing "great results" and will benefit future performance.

Oil well activity upturn lifts Schlumberger

By Terry Dodsworth in New York

AN UPTURN in oil well activity in North America and Europe helped Schlumberger, the Franco-American oil services group, to a 9 per cent increase in net income in the third quarter.

Earnings rose from $278.7m or cents a share in the 1983 quarter to $305.4m or $1.06. Sales rose by 14 per cent, from $1.4bn to $1.6bn.

For the first nine months, net income was $871m or $3.02 a share, against $824m or $2.83. Sales increased to $4.7bn from $4.3bn.

Schlumberger, which is now in the process of buying the Sedco offshore drilling company for $1bn, said that its $440m acquisition of 50 per cent of the Dowell energy service business in North America increased group third quarter revenue by $74m. But the purchase reduced earnings by $7m or 2 cents a share.

Uddeholm out of the red

By Our Stockholm Staff

UDDEHOLM, the Swedish special steels group, reports a strong turnround for the first eight months of 1984 following an extensive restructuring. It forecasts a continued upward trend through the rest of the year.

As part of a broad reorganisation of Sweden's steel industry, the company's Nyby Uddeholm operations were transferred to the new Avesta steel group under the control of the Johnson group. The majority of Uddeholm's remaining turnover—SKr 1.2bn ($136m) out of a total of SKr 1.5bn—was generated by the Uddeholm tooling division, where results climbed by SKr 20m. Overall, group results after financial items, emerged at SKr 10m, compared to a deficit of SKr 130m a year ago.

Much of the recovery was generated by a decline in financial costs (down SKr 110m to SKr 59m) following disposal of the loss-making Nyby Uddeholm operations.

INTL. COMPANIES and FINANCE

Bank chief faces currency charges

BY TONY WALKER IN CAIRO

MR ALI ABDULLAH JAMMAL, chairman of Jammal Trust Bank, and 17 other individuals have been charged, along with two companies, with serious currency violations by Egypt's Socialist Prosecutor.

The prosecutor, who has a special responsibility with regard to investigating allegations of corrupt business activities, is seeking sequestration orders against the property of those charged. Under Egyptian law the case must come to court within 60 days.

Mr Jammal, a Lebanese, has been under house arrest for most of this year. He was released from house arrest last week but his passport has not been returned and he is not able to leave the country.

Others charged include executives of Jammal Trust, Pyramids Bank and Al-Watani Egyptian Bank, and Mr Samir Aly Hassan, a well-known Egyptian currency dealer. Included int he charges are maritima and trading companies owned by Mr Hassan.

The Charges have arisen from the near collapse earlier this year of Pyramids Bank after Jammal Trust to honor cheques which it claimed were fraudulent. The cheques, which were isued on behalf of Mr Hasan, were authorised by an executive of Jammal Trust and amounted to more than $20m.

Mr Ali Jammal says he had no knowledge of transactions involving Mr Hassan who is said to have had a turnover in his currency dealings last year of between $1bn and $2bn. According to a spokesman for Mr Jammal, he is being charged with responsibility for his bank issuing the fraudulent cheques and refusing to bonour them.

Egyptian authorities reported on September 24, that the assets of the 18 who have now been charged were being impounded and that they were banned from travel while investigations were conducted into their financial dealings.

The action followed lengthy investigations into the affairs of Jammal Trust and other banks involved. The Socialist Prosecutor claims that Pyramids Bank lent Mr Hassan and his companies $27.7m without proper collateral.

Jammal Trust, through Irving Trust of New York, bas taken steps to repay more than $20m to three local banks inclnding Pyramids Feisal Islamic and Egyptian Arab African. Under the first stage of the Irving Trust-Guaranteed settlement the three local banks hava been paid a total of about $5m or 25 per cent ofthe amount outstanding.

Jammal Trust has four branches in Egypt and 12 in Lebanon. The Jamal family is also involved in hotel projects in Egypt through a Luxembourg holding company. According to a family spokesman work on a tourist complex near the pyramids has been stopped because of the family's difficulties with the Egyptian authorities.

The $55m project is nearing completion, but bankers to the project, Misr Iran Development Bank, are witholding further financing until Mr Jamal's problems are resolved.

Local bankers say the action against Jammal Trust and the other banks may in part be meant as a warning to currency black marketeers. It is rumoured that charges against other banks and currency dealers may be pending.

According to the bankers the "open" market rate for the U.S. dollar shot up this week to E£1.30 from about E£1.25 because of a shortage of dollars in the market. The official rate last Friday was E£0.832 to the dollar. One local banker estimated that up to $4bn was traded last year on Egypt's currency black market.

NTN Toyo Bearing ahead 36%

TOKYO—NTN Toyo Bearing said its unconsolidated net for the six months to September 20 climbed 36.3 per cent to Y4.39bn ($17.6m) from Y3.22bn a year earlier.

The bearing maker also raised its interim dividend by Y0.5 to Y4 a share from Y3.5.

Recurring profits, before taxes and extraordinaries, jumped 38.3 per cent to 8.03bn from Y5.81bn a year earlier, while sales rose 19.3 per cent to Y115.22bn from Y96.54bn.

Earnings per share rose to Y12.62 on 347.6m outstanding shares from Y10.32 on 331.8m shares.

The company expects business will continue to grow in the second half of the current fiscal year despite fears of trade friction and shifting currency rates.

For the full fiscal year, the company expects earnings to rise 25.7 per cent to Y8.9bn, or Y25.60 a share, from Y7.08bn, or Y22.04 a share.

Recurring profits are forecast to climb 25 per cent to Y16.5bn from Y13.2bn a year earlier, while sales are seen rising 15.6 per cent to Y235bn from Y203.33bn.

The company plans to increase its total dividend to Y8 from Y7 a year earlier.

A sharp rise in exports and better domestic sales contributed to the overall first-half gains.

Exports jumped 43.7 per cent from a year earlier to Y30.88bn, or 21.6 per cent of total sales. Of that, exports to the U.S. gained 71.5 per cent.

Domestic sales increased 12.6 per cent from a year earlier to Y85.2bn.

The company's share price rose Y4 to Y509 on the Tokyo Stock Exchange on Wednesday.
AP-DJ

Kuwait SE and Souk Al Manakh merge

KUWAIT—The official stock exchange said the unofficial Souk Al Manakh share market, which collapsed twa years ago with a $90bn debt, is to be merged with the official exchange on November 3.

A new trade system will be used, allowing shares to be traded over the counter, along the lines of London's Unlisted Securities Market.
Reuter

Mitsukoshi remains in the red

BY OUR FINANCIAL STAFF

MITSUKOSHI, the leading prestige department store chain in Japan, yesterday reported a parent company net loss Y2bn ($8m) lower than the previous combarable period's Y7.44bn as the group began to benefit from a fairly drastic management reconstruction.

The latest loss was due mainly to additional tax payments to cover the shortfall on returns filed over the past five years by Mr Shigeru Okada, ex-company president.

Other store chains reporting showed more mixed fortunes. Takashimaya's net was down 28.5 per cent to Y1.23bn on again only marginal higher sales of Y233bn.

Daimaru's sales were up 7.2 per cent to Y233bn following the opening of a new store in Osaka. However, the company still reporteda similar level of losses at Y499m.

Matsuzakaya saw its net rise by 15.1 per cent to Y1.52bn on sales of Y168bn, up 3.1 per cent. Sogo Stores reported a 23.2 per cent rise in net earnings to Y828m on sales of Y96bn, a rise of 2.4 per cent.

All the store groups experienced only very limited rises in growth due to the sluggish growth in personal spending commented analysts.

Permodalan has 50% Malayan Banking stake

KUALA LUMPUR—Malayan Banking, Malaysia's second largest bank, said Permodalan Nasional now holds a 50 per cent stake in it after the registration of 54m shares formerly belonging to Bank Bumiputra Malaysia.

The transfer of the shares, which represent 30 per cent of Malayan Banking's paid up capital, was part of the deal laid out by the Government in the recent takeover of Bumipatra by Petronas.
Reuter

Burma allows first joint enterprise

RANGOON — tha Burmese Government has recently entered into a joint industrial enterprise with a West German firm, the first time Rangoon has ever allowed a joint venture with a foreign company.

The joint venture — with Fritz Werner — will handle the production and installation of machinery, its parts and accessories, and also their sale in Burma and abroad.

A Council of State report, submitted to parliament on the opening of its regular year-end session on Monday, gave the go-ahead. The Council of State is Burma's highest government authority, directing the activities of all other government organs.

The venture between the state-owned Heavy Industries Corporation and Fritz Werner will be named Myanma (or Burma) Fritz Werner Industries Company. It will operate under existing laws.

Where qualifications are the same, the company will give priority to hiring local workers and also use local raw materials if price and quality are similar to foreign materials.

The report did not specify what kind of machinery was to be produced, nor other terms of the joint venture agreement.
AP-DJ

AMP and Chase seek banking licence

SYDNEY — Australia's largest insurance group, Australian Mutual Provident Society (AMP), and Chase Manhattan Bank N.A. are to apply jointly to the federal government for an Australian banking licence.

If the application is successful, they will contribute equally to establish a bank with an initial paid capital of A$200m (U.S.$167m), the AMP and Chase said in a joint statement.

The existing money market, securities trading and foreign exchange operations of the AMP's wholly-owned merchant bank, AMP Acceptances, will be integrated into the new bank.

● Royal Bank of Canada and National Mutual Life Association of Australasia announced Tuesday plans for a feasibility study into a joint application for an Australian banking license.
Agencies

Margins still under pressure at Dan-Air

SLIGHTLY HIGHER losses—they increased from £2.76m to £2.97m—are reported by Davies & Newman Holdings for the first six months of 1984.

The group, which is engaged in shipbroking, shipping agencies and airline operation (Dan-Air), last year reported record profits of £4.31m, and this was after first-half losses had increased by £1m.

The interim dividend is unchanged at 3p net—last year a total of 10p was paid on the increased capital. The loss per share on a net basis was 25p (20.75p) on shares in issue at June 30 1984. At the end of 1983, earnings per share were given as 38.6p against 50.7p in 1982.

First-half turnover was £89,000 short of the £100m mark compared with £78.72m in the corresponding period last year. There was an operating surplus of £4.19m (£3.47m) before charging depreciation, aircraft hire charges and interest.

Mr F. E. F. Newman, the chairman, says the half-year result follows the customary trading pattern in Dan-Air.

The increase in group turnover was mainly due to greater activity in Dan-Air. Mr Newman says this has been well maintained during the summer months, although in common with the rest of the industry, margins remain under pressure.

The pre-tax loss was after higher depreciation of £2.26m (£2.22m); aircraft hire charges which rose from £3.6m to £5.03m; interest receivable of £359,000 compared with £243,000; interest payable little changed at £661,000 (£686,000) and associated companies' profits of £431,000 against £13,000.

There was an estimated tax credit of £1.37m (£1.44m), resulting in a nattributable loss to shareholders of £1.6m compared with £1.33m. After dividends of £191,000 (same), the retained loss emerged at £1.79m (£1.52m).

In the shipbroking division, tanker chartering and ships agency had a very good first-half result, but dry cargo chartering and the sale and purchase businesses remained at a low level.

The associated companies, Dan-Smedvig and Gatwick Handling, have continued to show satisfactory results, says Mr Newman.

● comment

Davies and Newman's aircraft are busier than ever but profits look like being left behind on the runway. The shares fell 4p to 163p yesterday when it became clear that all the extra activity cannot make up for falling margins. The company increased Dan Air's fleet from 33 jets to 38 and improved the number of hours flown by each plane. But Dan-Air has been squeezed by the package tour operators, who account for 80 per cent of its business, so much that Davies and Newman will do well to come close to last year's £4.3m pre-tax profit. The group's thoughts are now concentrated on 1985 when it hopes that slight rate increases currently under discussion can be made to stick. Assuming pre-tax profits of £4m and a 35 per cent tax charge, the shares trade on a prospective multiple of about four. At this level, they discount all the turbulence the group is likely to run into, but the rating is also a measure of the grip that the tour operators have over the profitability of Dan-Air. However, the 9 per cent yield is enough to keep the shares at their present altitudes.

SI Group profits advance to £1.5m

SI Group, which makes dispense and cooling equipment for the brewing and catering industries and also has engineering interests, lifted pre-tax profits by 32 per cent from £1.13m to £1.49m for the year ended June 30 1984. Turnover rose by £2.64m to £11.15m.

Mr F. W. Forbes, the chairman, says the improvement in results has been achieved by the continued success of the group's two main subsidiaries, Southern Industries (Croydon) and SI Coolers, together with a move to overall profit by the engineering companies.

On future prospects, he says, the current performance of the group—formerly Spencer Gears (Holdings)—encourages him to predict that improved results will continue to be achieved.

After an increased tax charge of £575,000 (£77,00), stated earnings per 5p share were down from 5.77p to 5p. The final dividend is however, raised to 1.165p (1p) net making a total payment up from 1.375 to 1.8p.

The board has decided to change the company's year end from June 30 to December 31 as the end of June now coincides with its busiest period. Therefore, the next accounting period will be for 18 months to December 31 1985.

Extraordinary debits of £15,000 (£105,000 credits) for the year included a £863,000 provision for deferred tax which was met by a similar transfer from reserves.

Surplus properties in Leicester and Croydon were disposed of during the year and the proceeds were applied to the early repayment of loans.

Southern Industries (Croydon) and SI Coolers have considerably increased their market share. SI Coolers made full use of its new and larger premises by developing among other items, a range of new coolers, named "Imperial," which are proving very successful. Southern Industries (Croydon) has continued to develop new and improved products.

The move to profit by the engineering companies was mainly due to Hibbert & Richards and SGL Sheet Metal.

Anchor Chemical climbs to £0.8m as demand picks up

Anchor Chemical Group has achieved its highest ever first half profit and, after three years of static interim dividends, is lifting the current payment by 25 per cent to 1.25p per share.

Group pre-tax profits for the first six months of 1984 amounted to £762,000, which compares with £210,000 for the corresponding period and £641,000 for the whole of 1983.

The result was attained on turnover up from £7.17m to £8.97m with the upturn in demand experienced towards the end of the 1983 continuing through the period.

Mr B. B. Pugh, chairman of this manufacturer of speciality chemicals, says that UK trading companies made a substantial contribution to group profits. Major factors, he says, have been the benefits of rationalisation, increased contribution from new products and a strong export drive.

Overseas companies performed satisfactorily with, he adds, particularly good results from the U.S.

Earnings per share for the period rose sharply from 2.2p to 14.5p on after-tax profits of £417,000 compared with £64,000. Dividends will absorb £36,000 (£28,000).

In the second half of last year Anchor pushed taxable profits up from £220,000 to £431,000 and raised the final dividend by 0.25p to 2.25p.

Last month Anchor suffered a fire at its Clayton, Manchester, factory and although production was interrupted for three weeks, the company was able to supplement supply through other group resources.

The company is fully insured to cover the cost of the incident including the loss of profit.

Despite the fire, Mr Pugh says that the improved level of trading has continued into the third quarter. Although the second half of the year is affected by a higher incidence of holidays, he looks forward to a creditable result for the full year.

● comment

The scale of Anchor Chemical's belated recovery took even the company's close observers by surprise and provoked a 4p jump in the share price to 190p, when almost everything else was falling. The improvement is due largely to the company's newer products—curing agents for epoxy resins—which gained from increased UK and especially overseas demand. The market for its traditional chemicals for the rubber industry remains depressed. Anchor is working to improve profitability by cost-cutting and by £1m investment in new plant. However, the company's operational and financial gearing remains high and this year's prospective record profits will be achieved at the peak of the demand cycle. If the stock market settles soon, it might be wise to call on shareholders with a rights issue while the prospects are still reasonably bright. For the current year £1.4m pre-tax looks likely, putting the shares on a prospective multiple of about 7.

INDEX TO COMPANY HIGHLIGHTS

USM placing for UDO Hldgs.

BY ALISON HOGAN

UDO Holdings, which supplies equipment and a complete reprographic service to architects, draughtsmen and designers, is coming to the USM through the placing of 25 per cent of its equity with a £6.22m market value.

The directors began a major reorganisation of the business in 1979 expanding its range of services and geographical coverage and broadening its base from an over-reliance on the construction industry, to service a wide sector of industry and commerce including local government, computer companies and the petrochemical industry.

It has a general service providing dyeline printing facilities, rapid photocopying and collation services; and has built up certain specialist services, which account for approximately 30 per cent of group sales. The company's Overflow division forms the major part of the specialist services providing a high quality confidential reprographic service for the petrochemical industry.

UDO has 22 centres around the UK-half of them based around London—and intends to expand its geographical coverage further so that it attains a full national network.

The mark-up on the different services varies from a third to 80 per cent, according to the chairman, Terry Rutter.

The group has managed its transformation into a profitable public company with modest increases in administrative expenses and overheads proportionate to the large increase in profits. Turnover rose from £7.36m to £9.15m in the year to July, while pre-tax profits increased from £248,000 to £805,000.

The timing of the issue prevents the directors making a profits forecast for the current year.

Hill Samuel, advisers to the company and its brokers Wood Mackenzie, have priced the shares at 110p each to give a historic PE of 13 and a forecast yield of 4.9 per cent. Of the 1.41m shares being placed, half are new shares raising £562,000 for the company which will assist the company in its expansion programme.

Dealings in the shares are expected to begin on Thursday, October 25.

Epic calls for £7.6m to strengthen balance sheet

BY ALISON HOGAN

Estates Property Investment Company is raising £7.6m, via a rights issue of 10½ per cent convertible unsecured loan stock, 1994-99, to strengthen its balance sheet following active development over the past couple of years.

Baring Brothers has underwritten their issue, which is priced at par and is on the basis of £2 nominal of stock for every five ordinary shares.

Phoenix Assurance has undertaken to renounce its rights entitlement to 29.64 per cent of the issue as to half in favour of Royal Insurance and half in favour of National Provident Institution, which have stakes of 11.33 per cent and 7.85 per cent respectively.

The other major shareholder, Clabir International with 23.5 per cent, has not yet declared its intention whether to take up its entitlement.

The portfolio of Epic has traditionally been heavily weighted to the North of England, a pattern which the directors have been trying to alter in the last couple of years through investment further south.

The company had very little unlet accommodation in its portfolio at its April year end, and since then a scheme at Leeds has been let and the letting of the 200,000 sq ft Lawnhurst Estate, Stockport, has been virtually completed.

The board is raising the finance to reduce bank borrowings and variable rate debt which totalled £10.22m at the end of April. Since then the company has purchased a further industrial site in Mitcham, Surrey for £1.58m, and anticipates spending around £5m in the next 12 months on further development.

Dealings in the new stock are expected to begin on October 22. The conversion price is 160p per ordinary share with conversion periods from October 15 to November 15 in any of the years from 1987 to 1994.

Quilter Goodison are stockbrokers to the issue.

Volume rise at S. Lyles offset by lower margins

TURNOVER VALUE and volume increased to record levels at S. Lyles, carpet yarn spinner and dyer, over the year to end-June 1984, but depressed profit margins resulted in a one-third fall in taxable profits from £636,000 to £424,000.

In addition to the profits fall, shareholders are told that a £500,000 capital expenditure commitment for a replacement boiler plant has led the directors to cut the final dividend from 4.25p to 3p, which reduces the total to 5.5p against 6.75p.

However, the company says that the new boiler plant will produce savings in the cost of fuel well in excess of £100,000 per annum.

Turnover, which reached £16.4m (£14.13m) in the year under review, is still running at a record level in the current year, but the directors say that it still has to be matched with a comparable increase in margins.

A breakdown of sales for the 12 months shows that £10.2m (£8.91m) was accounted for at home, and £6.19m (£5.22m) overseas; both were record levels.

The taxable result was struck after interest payable of £94,000 (£55,000) and was subject to tax of £134,000 (£175,000) after which earnings per share are shown 4.71p lower at 6.88p.

Retained profit is £50,000 (£176,000), after unchanged preference payments amounting to £40,000, and the £109,000 (£245,000) cost of ordinary dividends.

As a consequence of changes in this year's Finance Act an amount of £345,000 has been transferred from retained profits to the deferred tax account.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anchor Chemical ...int.	1.25	Nov 30	1	—	3.25
Anglo-Indonesian ...int.	2	Jan 2	1	—	4
J. Biliam ...int.	1.4	Dec 14	1.4	—	2.8
Castle (G.B.)‡	1.73	Jan 8	0.6	2.9	0.6
Davies & Newman int.	3	Feb 1	3	—	10
Greenbank Ind. ...int.	0.8	Nov 23	0.8	—	2.1
Hse Prop. London int.	3	—	3	—	9
S. Lyles	3	Jan 2	4.25	5.5	6.75
M.Y. Dart ...int.	0.25	Dec 12	0.25	—	0.75
Scottish Mortgage int.	3.2	Dec 3	2.9	—	6.4
Sellncourt ...int.	0.025	Dec 7	0.025	—	0.025
SI Group	1.17	Jan 7	1	1.6	1.38
Silentnight Hldgs. int.	1	Jan 1	—	—	2.75
Tyzack Sons & Turner	3†	—	Nil	5	Nil
Walker & Homer	0.5	—	Nil	0.5	Nil

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Total of at least 8.8p forecast.

UK COMPANY NEWS

David Lascelles looks at Lloyds Bank's merger of its international and domestic arms

Muscles flexed for role in revolution

BIGGER IS better in the modern banking world. Lloyd's Bank's decision to merge its international and domestic areas into a single group should give it more muscle and, it hopes, reap savings. But it may also pressage further changes as Lloyds decides what role it should play in the City revolution.

Lloyds is the smallest of the big four clearers. Following Barclays' move to merge its home and foreign parts last year, it wkas also the only one which ran its international business largely through e separate subsidiary.

This created overlaps and split the group's equity base; last June Lloyds Bank International had £578m in capital and Lloyds Bank £1.54bn, and neither was eble to go out into the market with the group's total resources behind it.

Because the two parts also operated as independent banks, they each had to observe their own capital and liquidity ratios, and could not profit from the other's tax position. The merger should give management much more flexibility.

Among the other benefits cited yesterday by Mr Brian Pitman, the group chief executive, were the ability to trade under a single name (which would simplify communications and Lloyds' correspondent banking arrangements) ad develop group technology. The major disadvantage, he said, was the temporary one of the cost and disruption of the merger itself.

Lloyds Bank International consists of part, though not all, of Lloyds' overseas business, plus Bank of London and South America (BOLSA) which Lloyds bought 10 years ago (and through which it has acquired e heavy exposure to Brazil and Argentina) and Schröder Münchmeyer Hengst, the German banking and broking firm bought last year.

LBI has more than 200 banking offices in 47 countries and altogether employs more than 10,000 people of 50 nationalities.

Last year, LBI made a pre-tax profit of £149m compared to £83m the year before (though comparisons are not accurate because Lloyds was changing accounting periods to align LBI with Lloyds Bank as a run-up to the merger). However, LBI's performance has not been as brilliant as it might be.

Aapart from landing the Lloyds group with a hefty bad loan problem in Latin America, its return have recently been poor, as the famous leaked memo of a fortnight ago showed. In it, Mr Eric Whittle, the LBI chief executive, complained of the "feeble" performance with LBI's profits tumbling to a mere £4m in the first half of this year because of heavy provisions and a failure to drum of lucrative new business.

Mr lPtman maintained yesterday that LBI's average post-tax returns over the years of 15 per cent on equity were good. However, LBI is seen in the international banking market as a slow mover which has lagged behind the receot shift from loan-making to finance based on securities issued in the Euromarkets.

And though there was no suggestion yesterday that LBI is being pulled tighter into the group to pep up its performance, it seems to need more sense of direction.

Mr Whittle said yesterday that LBI was "on course with our plan" but loan volume was difficult to generate, and margins have slipped.

One intriguing aspect of the merger is the possibility of a reshaping of Lloyds' merchant banking intereste. LBI is the conduit for much of Lloyds' international merchant banking activities, and Lloyds might use the merger to pull all its merchant banking business together and even hive it off into a separate subsidiary.

Apart from the fact that the other big clearing banks now have separate merchant banking offshoots, this might provide the foundation for Lloyds' long-awaited move into the fast-evolving UK securities market.

Roger Taylor

Knights in accord—Sir Jeremy Morse (left) chairman of Lloyds Bank, and Sir Lindsay Alexander, chairman of Lloyds Bank International, have a stroll in the City of London after announcing the merger of the two companies

Lloyds, alone among the clearers, has yet to form an alliance with a stockbroker or jobber. Mr Whittle would only say yesterday: "We have plans for strengthening that side, but this is not the time to discuss them."

Lloyds is at pains, though, to dispel any idea that the merger means it intends to play down its international business. Sir Jeremy Morse, the group chairman, said: "Our boards are not keen to see a retreat from international banking."

This sets the merger apart from Barclays, which resulted in the creation of e powerful new post of group chief executive in what some people saw as a move to settle internal politics.

Losses rise at Howard as banks set support terms

LOSSES IN the half-year to April 30 1984 deepened at Howard Machinery, farm equipment manufacturer and distributor, and the group has reached agreement with its UK bankers to carry out a restructuring of its operations.

Losses at the pre-tax level increased from £146,000 to £567,000 including a £16,000 profit share from related companies (£24,000) but after higher interest charges at £846,000 against £776,000. Sales for the half-year slipped from £21.98m to £21.57m.

There is no interim dividend; the last payment was a 0.58p final in 1980.

The directors state that the restructuring plans contain significant retrenchments in the group's workforce, both in the UK and overseas, and also include the disposal of certain of the group's investments, further details of which will be announced in due course.

The continued support of the group's UK bankers is conditional upon the successful implementation of these plans, they add.

Provision for the full cost of the restructuring, which is currently estimated at £3m, is expected to be made in the results for the full year.

Due to the seasonal nature of the business, no tax charge has been shown for the half year.

In the last full year the company pushed up pre-tax profits by £502,000 to £755,000 on sales up from £45.53m to £46.06m.

Greenbank falls to £0.4m

DESPITE AN initial contribution of £163,871 from Didsbury Engineering Company, acquired last December, pre-tax profits of Greenbank Industrial Holdings, engineers, dropped from £605,023 to £416,026 in the half year to June 30 1984. Sales were £1.24m lower at £5.21m.

Mr M. D. Jepson, the chairman, says the half-year profit has inevitably been depressed by the very low order level. However, in spite of the coal strike, order intake through the year is much increased and should result in satisfactory profits in the second six months. This rate of increase will allow the company to enter 1985 with an order book in line with historic levels.

BANK RETURN

BANKING DEPARTMENT

	Wednesday October 17 1984 £	Increase (+) or Decrease (—) for week £
Liabilities		
Capital	14,553,000	
Public Deposits	541,241,321	+ 294,412,487
Bankers Deposits	586,440,718	+ 24,962,530
Reserves and other Accounts	1,550,377,681	+ 61,596,976
	2,792,617,554	+ 378,993,055
Assets		
Government Securities	386,971,857	— 26,795,000
Advances & other Accounts	715,962,516	— 133,643,390
Premises Equipment & other Secs.	1,661,473,260	+ 538,596,466
Notes	6,925,624	+ 1,140,393
Coin	184,296	+ 4,576
	2,792,617,554	+ 378,993,035

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	16,000,000,000	— 20,000,000
In circulation	11,994,064,276	— 21,140,393
In Banking Department	6,936,694	+ 1,140,393
Assets		
Government Debt	11,015,100	
Other Government Securities	1,226,694,159	+ 264,600,256
Other Securities	10,762,290,741	— 284,600,256
	16,000,000,000	— 20,000,000

Welkom Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

Preliminary Profit Announcement for the Financial Year ended September 30 1984

Financial results

Subject to final audit, the following are the results of the company for the year ended September 30 1984, together with comparative figures for the year ended September 30 1983:

	1984 R000	1983 R000
Income from subsidiary company	—	24 728
Investment income	38 635	21 658
	38 635	46 386
Less: Sundry expenditure	183	327
Profit before taxation	38 452	46 059
Provision for taxation	25	8
Profit after taxation	38 427	46 051
Retained profit brought forward	113	87
Profit available for distribution	38 540	46 138
Deduct:		
Dividends—No. 54 (interim)	16 832	23 933
No. 55 (final)	21 566	22 092
	38 398	46 025
Retained profit	142	113
Earnings per share—cents	146.1	175.1
Dividends per share—cents	146.0	175.0
Number of shares in issue	26 300 000	26 300 000

Subsidiary company

On June 13 1984, a special resolution placing the company's wholly-owned subsidiary, Free State Saaiplaas Gold Mining Company Limited, in voluntary liquidation was registered. The first and final liquidation and distribution account was submitted to the Master of the Supreme Court on September 19 1984.

Listed investments

The company's (comparative figures relate to the group) listed investments are 6 838 000 shares in Western Holdings Limited.

	At 30.9.84 R000	At 30.9.83 R000
Market value	444 470	389 766
Book value	64 830	64 830
Appreciation	379 640	324 936

Dividends

Details of the dividends declared in respect of the year ended September 30 1984 are as follows:

	Dividend No. 54 (Interim)	Dividend No. 55 (Final)
Declared	April 18 1984	October 18 1984
Per share	64 cents	82 cents
Payable to members registered	May 11 1984	November 9 1984
Payment date	June 15 1984	December 14 1984

DECLARATION OF FINAL DIVIDEND NO. 55

On October 18 1984 dividend No. 55 of 82 cents a share, being the final dividend in respect of the year ended September 30 1984 (1983: 84 cents) was declared in South African currency payable on December 14 1984 to members registered in the books of the company at the close of business on November 9 1984.

The transfer registers and registers of members will be closed from November 10 to November 23 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about December 13 1984. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on November 12 1984 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries in Johannesburg or in the United Kingdom on or before November 9 1984.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: C. R. Bull
Divisional Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051 Marshalltown 2107)

Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

Head Office:
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

London Office:
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
October 19 1984

Copies of this announcement are being posted to all members at their registered addresses.

BIDS AND DEALS

Reckitt in battle royal for Kiwi

THE STRUGGLE for control of Australia's Nicholas Kiwi has developed into a battle royal following yesterday's purchase of a 14.9 per cent stake in Kiwi by Reckitt & Colman of the UK.

Last week the fate of Kiwi seemed to be settled when an agreed A$289m (£200m) bid was announced from Consolidated Foods Corporation (CFC) of the U.S. for most of the household products and non-prescription drugs company.

Yesterday also saw a further boost to Reckitt's bid when Mr Paul Keeting, the Australian Treasurer, announced that the government had decided to raise no objections to the move on grounds of foreign investment policy.

"We are now free to buy Kiwi shares on the market. One of the major restrictions on our freedom of action has now been removed," commented Sir Michael Colman, finance director of Reckitt.

Reckitt has undertaken that if it acquires control of Kiwi, Reckitt & Colman Australia will achieve naturalised status within 12 months and will acquire all the Kiwi and Reckitt group businesses in Australia, New Zealand and South East Asia. Australian government approval has been given on that basis.

For their stake in Kiwi, the UK cleaning products, pharmaceuticals and food group have paid between A$4.10 and A$4.20 a share ex-bonus. These figures are equivalent to A$4.78 and A$4.90 on the pre-bonus basis and compare with Reckitt's original A$4.60 bid.

Although Reckitt is as yet unprepared to make any further announcement regarding a general raising of their bid, Sir Michael was yesterday hopeful that Treasury approval plus an effective increase in the offer to at least A$4.90 would "lead the Kiwi board to reconsider their position."

The Australian company's board has already backed the cash plus paper offer from CFC for all of its overseas operations plus a minority stake in the home-based ones. It was supported in this by the Nicholas, Ramsay and Wickens family interests who between them hold about 45 per cent.

The A$5 a share valuation placed on the CWC has always been contested by Reckitts, and even many brokers feel that its value pre-bonus was more properly calculated at around A$4.70.

However, CFC already owns some 5.5 per cent of Kiwi and Reckitts must hope to price some at least of the family interests in their direction if they are to be successful. Sir Michael, perhaps recognising this, accepts that they will have to pay more as the market firms for Kiwi and both his company and possibly CFC start a share buying race.

On the Sydney exchange Nicholas Kiwi closed yesterday at A$4.28, equivalent to A$4.96 on pre-bonus basis. Kiwi shareholders are due to meet on October 31 to consider the CFC proposals—Reckitt hopes to have won voting control by then.

M & S informed of moves on bid front

By Charles Batchelor

Marks & Spencer, a major customer of Corah and Reliance Industrial Holdings which are currently engaged in a takeover battle, said yesterday it might be surprised if longstanding suppliers did not give advance warning of plans to bid for another company.

However, M & S said it did not involve itself in takeover battles between suppliers.

Corah, which is M & S's second-oldest supplier, launched a £2.53m takeover bid for Reliance on Wednesday. Mr Nicholas Corah confirmed yesterday he had informed the retail group of his bid plans.

"Having been informed of the bid we could see the industrial logic of it," M & S said. "If it goes ahead the merged group would become a substantial supplier."

M & S said it was not concerned that mergers between textile companies would make it too dependent on a limited number of suppliers.

"We are far and away the biggest supporter of the British textile industry," M & S said. "We probably take 20 per cent or more of all British textile production. There are 200-300 individual companies so there are a lot of people around."

Reliance has rejected the Corah approach but Mr Corah is due to meet Mr Raymond Newman, his counterpart at Reliance, for talks today.

Imperial extends interest in HoJo

Imperial Group is extending its interests in Howard Johnson's hotels by acquiring a 50 per cent stake in the chain's Canadian franchisee, Orangeroof Canada.

The price has not been disclosed. Orangeroof is a private company controlled by the Crothers family of Toronto, other interests include a large Caterpillar dealership.

Orangeroof owns three hotels in Ontario and has sub-franchised about 20 other Howard Johnson's hotels throughout Canada. Imperial's involvement in the group is expected to increase opportunities for expansion especially in Ontario and Western Canada.

The Canadian Government said earlier this week that it has approved the deal under its foreign investment review procedures.

Currys rejects Dixons offer document

Currys, which is fighting off a £182m takeover bid from rival electrical retailer Dixons, yesterday rejected its offer document as "adding nothing new to Dixons' well-worn arguments."

"What it does contain is a number of misleading comparisons that in our view do not stand up to detailed examination," said Mr Terry Curry, joint managing director.

He charged that the views expressed in the offer document — sent out on Wednesday — and public statements by Mr Stanley Kalms, Dixons' chairman, demonstrated a complete lack of understanding of Currys, its current operations and future strategy.

Currys and its financial advisers, S. G. Warburg, rejected the Dixons' offer as wholly inadequate and unacceptable, and as not reflecting Currys' trading performance, its asset base or future prospects.

Currys said it would make a formal response to the offer well before the first closing date of November 7. In the meantime it advised its shareholders to take no action.

The Dixons' offer document described Currys performance as "pedestrian" and compared Currys' business unfavourably with Dixons' retailing activities.

Berkeley Exploration

Terms offered on October 16 by Charterhouse Petroleum to two vendors, holding in total 360,000 Berkeley Exploration ordinary shares, were accepted. This has increased Charterhouse's interest in the company to 2.25m ordinary shares (around 22 per cent).

The consideration was satisfied by the issue of 360,000 new ordinary shares in Chartehouse.

Simon Engineering

Simon Engineering has disposed of the business of Cheadle Plant Hire for cash to G. W. Sparrow and Sons.

The business includes the headquarters at Boothstown, Manchester, and depots at Barnsley and Cassington, near Oxford, together with plant and other assets for which the consideration was £548,000.

Glaxo Hldgs.

Guaranty Nominees now hold 47.08m ordinary shares in Glaxo Holdings through Morgan Guaranty Trust Company of New York.

Anglo-Scottish withdraws plans

BY ALEXANDER NICOLL

THE BOARD of Anglo-Scottish Investment Trust yesterday withdrew proposals on restructuring the trust before they could be formally blocked by more than 25 per cent of its shareholders.

London and Manchester Insurance group had said earlier this week that a group of shareholders would vote against the plans put forward by managers CS Investments to turn the trust into a unit trust and two specialised investment trusts.

Mr Eric Crawford of CS Investments said the proposals were withdrawn at yesterday's EGM, which only lasted a few minutes, because proxies indicated that more than 25 per cent of shareholders would vote against — enough to block them.

He maintained that the CS proposals would have more than halved the discount to net asset value which existed before they were announced. London and Manchester has said it will make alternative proposals, possibly including complete unitisation—a course CS has rejected because of the high proportion of unquoted investments.

Mr Crawford did not disclose how Cambrian and General Securities, the largest shareholder in Anglo-Scottish, would have voted. He recently held talks with its chairman, Wall Street arbitrageur Mr Ivan Boesky, but they were inconclusive.

Hoskins rejects latest Scottish Heritable move

Scottish Heritable Trust, a holding company with widely spread interests, yesterday backed its contested bid for Hoskins & Horton, another holding company, with a forecast of a 62.5 per cent increase in 1984 pre-tax profits to £1.8m.

SHT said its offer—three SHT shares plus 65p for each H & H share—represented a premium of 18.1 per cent over the price of H & H shares before the bid was announced, and a 69.8 per cent premium over net asset value of H & H at end-1983.

H & H immediately retorted with a further rejection of the bid, arguing that the premium over the pre-bid price was "hardly a generous premium for control." It also said the bid's historic p/e multiple of eight times was substantially below the current standard for the industrial group.

H & H also argued that there was no full cash alternative and that it did not believe SHT would bring material commercial benefits to H & H. SHT is seeking H & H in order to win greater market penetration for quarrying interests in the West Midlands.

SHT already holds 29 per cent of H & H.

* * *

Smith & Nephew Associated Companies has acquired H. M. Cote Inc, a health and beauty products manufacturer base in Boucherville, Quebec. Terms of the transaction were not disclosed.

* * *

Midepsa International offers for Coleman Milne will close on October 30. Acceptances have been received in respect of 14.86m shares (92.92 per cent).

* * *

Mr Simon C. H. Wetson has been elected a director of Southend Stadium, with immediate effect. Mr Watson is managing director of Yelverton Investments, which holds 21.6 per cent of the ordinary of Southend Stadium.

Garfunkels bid unconditional

Acceptances of the Garfunkels' offer for Strikes Restaurants have been received for a total of 6.02m ordinary Strikes shares (96.53 per cent).

Of these, shareholders representing 5.47m Strikes shares elected to receive the cash alternative.

All conditions, including the approval of Strikes shareholders to the associated asset transactions as described in the offer document have now been satisfied and the offer has therefore become unconditional in all respects and the cash alternative has now been closed.

* * *

Protek International, Edinburgh-based technology consultants, have completed an equity deal with I.C.F.C. and the Scottish Development Agency. The deal involved raising £250,000, part loan, part equity, to boost finances for the group's next phase of growth.

The company, started in 1981, provides consultancy services for investment appraisal, company start-ups, market research and technology transfer.

UK COMPANIES

Second half surge consolidates upturn at Tyzack Turner

WITH A substantial profits recovery, especially in the second half, W. Tyzack Sons & Turner has achieved a full year turnround of £751,000 in the period to July 31 1984.

The result at the taxable level was a profit of £315,000 against a comparable loss of £436,000. Mr Timothy Reed, the chairman of this Sheffield-based engineering component and hand-tool manufacturer, says that he was particularly encouraged by the group's performance in the second half, which added £250,000 to the total surplus compared with a corresponding loss of £172,000.

The improvement has enabled the directors to resume the payment of dividends, the first since 1982. The proposed final is 5p net per share, and in the light of the group's "greatly improved reserve position," the company intends to make a scrip issue of new shares. Full details will be given on November 7.

Earnings per share before the exceptional item are quoted as 14.7p (19.5p losses) and 14p (24.4p losses) after.

The chairman comments that the result reflects the benefits of a substantial programme of restructuring. Last June the group successfully completed the acquisition of two specialist machine-knife businesses, and these companies have already made some contribution to group profitability and turnover.

Sales for the 12-month period were up by 27 per cent at £6.92m against £5.46m, with sales to North America showing a marked upturn. Mr Reed adds that progress is being maintained in the current year. "We believe that there is scope for further profitable development and that, in the light of these results, we are well placed to take advantage of opportunities for expansion as and when they arise."

Profits came out at £479,000 (£170,000 loss) at the operating level after cost of sales at £5.96m (£5.17m) and other operating charges and income at £476,000 (£444,000). Interest payable was less at £149,000 against £183,000, and there was an exceptional debit of £15,000 (£83,000).

Borrowings during the year were down from £1.36m to £950,000 (representing 42 per cent of shareholders' funds against 68 per cent).

The tax charge for the period was up by £30,000 to £31,000 to leave net profits at £284,000 (loss £437,000). Dividends will total £62,000 (£2,000).

It is proposed to change the company's name to Tyzack Turner.

Profit margins come under pressure at Silentnight

AS THE chairman warned in June, pre-tax profits of Silentnight Holdings, Lancashire-based manufacturer of beds, upholstery and furniture, fell by almost a half from £2.09m to £1.1m for the six months to July 28 1984.

Group turnover moved ahead from £35.6m to £37.75m, but trading profit dipped by £848,000 to £1.39m.

The figures, says Mr Tom Clarke, group chairman, reflect his warning about profit margins. The pressure on margins continues, but the group is continuing to work on the improvement of its competitive position in all areas of the business.

The chairman reports that all the group's factories are busy although sales levels are below expectations. The order book has been affected by the economic climate especially in areas involved in the mining dispute.

Earnings per share were stated down from 4.62p net to 2.03p net. The directors have declared an unchanged interim dividend of 1p, costing the same again £450,000. For the year to end-January 1984 2.75p was paid on profits of £5.24m.

There were higher first-half interest charges of £290,000, compared with £148,000. Reorganisation costs of £222,000 net of tax were mainly due to redundancy payments in the bedding and upholstery divisions.

Tax took increased £188,000 against £12,000, leaving profit attributable to shareholders down at £690,000 (£2.06m).

Anglo-Indonesian benefits from increased tea prices

TAXABLE PROFITS of the Anglo-Indonesian Corporation, which has interests in tea and rubber estates and engineering, showed a sharp increase from £276,000 to £1.96m for the first half of 1984. Turnover increased from £12.99m to £15.18m.

The directors say the continued improvement in profits in the period reflects the favourable effect of higher tea prices, strong demand for agricultural tools in Brazil and the steady progress in the performance of the UK engineering businesses. Progress of planting palm oil on the Tasik concession continued satisfactorily.

The outlook for the remainder of the year remains favourable, the directors state, and in anticipation of satisfactory results for the year, they are doubling the net interim dividend to 2p (1p)—last year's total was 4p on £1.13m profits.

After tax of £473,000 (£96,000) and minority debits of £226,000 (£65,000 credits), net profits were up from £245,000 to £1.25m.

Undiluted earnings per 25p share were 20.1p against 3.3p on a net basis or 4.8p on a nil basis. Fully diluted earnings were 16.5p compared with 3.8p net or 4.5p nil.

Results of the Brazilian operations have been included and comparatives have been adjusted to the same basis.

Winding up orders made against 181 companies

COMPULSORY winding-up orders against 181 companies were made in the High Court. They were:

J.W.A. International Holdings, Southbank Furniture, Gramax Industrial Services, J.C.E. Construction, Crayford Paper Converters, H.A. (Ductwork), Kwokman (UK), Haddenham Motors; Chantals Manufacturing Wholesale Co, Garstead, Barry Dennis Leisure, Brighton Corporation International, Orr Bullock Associates, N. P. Jacques (Construction) and K.S.L. Transport.

Britock, Unicolor (Southern); Riverstar Investments, Inscape, Tirnel, Alker Shoes, Jasminbrock, Baird Moore & Co, Epleview, Williams & Collins (Builders) and N.R.J.

William Gaskell Group, William Gaskell (Upholland), William Gaskell Warehousing, O2L Electrical Contractors, Original Music, Core International, Alec Dainty Consultants, Brimace, Audio-Visual Media, Old Thorns Golf and Country Club, Evison Electrical, Muireal, Friary-Clark, L.S.L. Engineering Services and Bretworth.

Rapidfoto Film Processing, Thamesdown Roofing Contractors, Chimeglade, Bedfont Lake Nurseries, Crichton Cleaning Services, Dudwise, Staines Landscape Co, Insemco, Maddock plc, P.C. Reinforced Concrete, Plastivend.

Eurodesign Building Services, Solardene, The East Uck Workmen's Club and Institute, Greavebond, Interkirk (Bayton), Interkirk (Bedworth), Paine Hairdressing, Stone Corner Hauliers, Stagtower, Timewell, G.D.R. (Transport Services), Metropolitan Canister Co, Wade Printers, Wilkie & Paul Canisters and Booths Electronics.

Microvision, Staktec, Music International, Handyman House (Northern), Erleybridge Braille Systems, Lanaplan, Modylook, Pan Distribution, Data Couriers Europe and D and L Trading (Hair Goods).

Queenascot, Fred Gilbert (Cardiff), O. F. Smart (Fresh Meat), Granada Credit Collection, Brimstone Developments, Wilson Development (Rugby), Selected Software and Computer Systems, David Naylor & Son, Allerton Roadfreight, Euston Marketing Services, Kingsley Ford & Co, Metrolite Enterprises, Diespeker Mosaic & Terrazo and Neo-westminster.

Maxipress Hydraulics (Northern), Zionglobe, Duttons Unit Load Freight Agency, S.C.I. Distribution (Western), Valcon Cane Furniture, Chartacity Holdings, Sharina Construction, Castle McGregor Fabrications, Pase, F.L. Graphics and S. Stevens (Insurance Brokers).

Kitchen Gallery, Portuguese Wine Distributors, Quikcolor, Cameo Kitchen Installations, Parister, Multiclass Handbags, Brian Whitty (Roofing), Fuad Property Services, Ballgowns, Anthony P. Jeffreys, Archcrown, Stablepost, Redmill Security and Lomax Decorators.

Permoscope, Saleview, Spotland, Troplegrove, Europak Removals, Lontrak Distribution, Whalley Bridge Garage, Programmed Presentations (Hardware), Susan Butterfield Crown Car Hire, Fastalley, Partcourt and M. Waites and Sons.

Dorsham, A. Coverdale & Co (Beckenham), Marrodene, Intertrade Glass, Wilsons (Brixton), A. S. Harle, Crouch Homes, A. W. Walker & Sons (Darlington), Flexitarn, Get Shirty, D. R. Southall Transport, Kanhlow and W. Fenn.

Rightclass, Bowthorne, Portland Bridge, Bistro S (Leeds), Boomcourt, Segadaloes, City Office Services (London), The Paper Place, Maine Engineering, Fieldbland and Forest Meats.

Bryce Waterhouse Marine, Buckingham Travel, Wales & Western Heating (Cardiff), Dorset Prototype Printers, Trilberry, Ultra Plane (Europe), Restormel Constructors, G. B. Jones (Ruabon), TXRF Spares & Service, Videovision (UK), Agrocon and Delta Mouldings (Leicester).

Simon Larkman, Millhaven Engineering, Renoir, Clarkes Stores (London), Cascade Damp Proofing Services, Bringy Interiors, Bosstlight and Pixtons Computerfile.

Allgood Cycles Wesley Metal Finishers, Ambriville, Newzone, Interpetrol Europe, Shackrest, Al-Sabr, Fashionville and Alestop.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the Directors for the quarter ended September 30 1984

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 34 334 376 shares of 50 cents each

	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
OPERATING RESULTS			
Gold			
Area mined—m² 000	397	377	1 612
Tons milled—000	2 343	2 308	9 136
Yield—g/t	4.18	4.23	4.23
Production—kg	9 784	9 772	38 607
Cost—R/m² mined	296.74	278.18	279.82
—R/ton milled	50.28	46.44	46.31
—R/kg produced	120 41	10 732	10 959
JMS (See summary) Slimes delivered			
Tons 000	957	977	4 267
Head grade			
uranium—kg/t	0.08	0.06	0.09
sulphur—per cent	1.05	1.02	0.95
gold—g/t	0.47	0.44	0.45
PRICE RECEIVED ON SALES			
Gold—R/kg	17 318	15 845	15 684
—$/oz	336	379	372
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	172 951	153 321	612 174
—costs	117 807	104 675	423 082
—profit	55 044	46 446	189 002
JMS profit	472	1 174	3 581
Net sundry income	6 538	5 913	20 025
Profit before taxation and State's share of profit	61 054	55 533	212 696
Provision for taxation and State's share of profit	(415)	21 853	46 203
Profit after taxation and State's share of profit	61 467	33 680	164 495
Deduct:			
Appropriation for capital expenditure			03 725
Dividend—interim			35 036
—final			45 153
Decrease in retained profit			219
Capital expenditure			
—Total	48 973	18 269	106 602
—Erfdeel Division	38 030	13 106	63 740
Loan from Eastern Gold Holdings Limited—balance	74 579	63 930	74 579
SHAFT SINKING—ERFDEEL DIVISION	metres	metres	metres
No. 1 Ventilation shaft			
Advance	78	13	293
Depth to date	2 178	2 109	2 178
Station cutting	77	—	167
No. 1 main shaft			
Advance	200	214	975
Depth to date	2 179	1 079	2 176
Station cutting	208	123	665
No. 2 main shaft			
Advance	—	—	52
Depth to date	52	62	52
No. 2 ventilation shaft			
Advance	43	—	43
Depth to date	43	—	43

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
HOLDINGS DIVISION							
Basal reef							
Quarter ended September 1984	10 510	992	40.4	28.04	3 133	0.29	31.82
Quarter ended June 1984	9 948	1 012	31.1	46.69	1 452	0.30	12.24
Year ended September 1984	39 545	3 472	34.0	37.97	1 201	0.35	12.04
Leader reef							
Quarter ended September 1984	4 301	1 446	135.0	3.06	413	0.16	21.85
Quarter ended June 1984	3 963	1 494	118.4	3.79	449	0.19	22.48
Year ended September 1984	16 563	6 540	125.6	3.47	436	0.16	19.95
'A' reef							
Quarter ended September 1984	155	36	17.5	88.29	1 545	1.67	28.16
Quarter ended June 1984	74	52	55.8	16.07	947	0.26	15.61
Year ended September 1984	465	108	49.1	15.27	750	0.27	13.47

The development reported includes development by Western Holdings in the area under tribute from Free State Geduld Mines Limited.

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
ERFDEEL DIVISION							
Basal reef							
Quarter ended September 1984	6 187	1 112	71.9	12.18	876	0.34	24.56
Quarter ended June 1984	6 727	1 336	70.7	12.66	895	0.34	24.15
Year ended September 1984	25 916	4 122	67.8	13.61	923	0.36	24.26
"B" reef							

During the quarter ended September 1984, 22 metres were advanced (June 1984: 20 metres). There were no sampling results.

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Year ended September 1984	360	112	173.6	6.10	1 050	0.10	17.92

EFFDEEL DIVISION

Basal reef

During the quarter ended September 1984, 1 292 metres were advanced (June 1984: 161 metres; year ended September 1984: 3 980 metres). There were no sampling results.

ORE RESERVES
(See note 1)

	Based on gold price per kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1984	R14 000	13 140	143.4	9.96	1 419	0.11	18.16
	R15 000	14 460	142.3	9.44	1 349	0.11	18.17
	R16 000	15 456	142.2	9.14	1 300	0.11	15.85
June 30 1985	R15 000	16 176	150.0	9.53	1 327	0.11	14.74

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1984 are as follows:

	Dividend No. 58 (Interim)	Dividend No. 59 (Final)
Declared	April 16 1984	October 16 1984
Per share	250 cents	315 cents
Payable to members registered	May 11 1984	November 9 1984
Payment date	June 15 1984	December 14 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1984:
Holdings division R6 601 000
Erfdeel division R26 297 000

STRIKE

The strike by members of the National Union of Mineworkers during the quarter affected underground production for two days but mill throughput was maintained by drawing from stockpiles.

For and on behalf of the board
E. P. GUSH
G. S. YOUNG } Directors

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Vidao Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
OPERATING RESULTS			
Gold			
Area mined—m² 000	176	176	686
Tons milled—000	968	939	3 679
Yield—g/t	6.41	6.56	6.53
Production—kg	6 204	6 162	24 017
Cost—R/m² mined	[illegible]	[illegible]	[illegible]
—R/ton milled	[illegible]	[illegible]	[illegible]
—R/kg produced	10 329	9 447	[illegible]
JMS (See summary) Slimes delivered			
Tons 000	355	363	1 567
Head grade			
uranium—kg/t	0.11	0.10	0.10
sulphur—per cent	[illegible]	[illegible]	[illegible]
gold—g/t	0.74	0.86	0.86
PRICE RECEIVED ON SALES			
Gold—R/kg	17 424	15 671	15 846
—$/oz	340	378	372
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	[illegible]	[illegible]	[illegible]
—costs	[illegible]	[illegible]	[illegible]
—profit	[illegible]	[illegible]	[illegible]
JMS profit	[illegible]	[illegible]	[illegible]
Net sundry income	8 900	7 019	[illegible]
Profit before taxation and State's share of profit	54 569	48 153	197 230
Provision for taxation and State's share of profit	23 674	19 325	87 718
Profit after taxation and State's share of profit	30 995	28 826	100 515
Deduct:			
Appropriation for capital expenditure			44 112
Dividend—interim			30 389
—final			34 959
Decrease in retained profit			146
Capital expenditure	11 993	13 622	44 290

PRESIDENT STEYN—*continued*

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended September 1984	7 257	554	56.8	30.30	3 721	0.27	35.10
Quarter ended June 1984	6 284	734	57.5	32.76	1 885	8 36	20.08
Year ended September 1954	23 620	2 314	59.6	30.44	1 014	0.32	19.00
Leader reef							
Quarter ended September 1984	722	354	116.2	3.63	455	0.22	29.61
Quarter ended June 1984	627	396	150.6	4.89	736	0.28	39.80
Year ended September 1984	2 629	1 328	134.5	4.31	607	0.25	34.14
'A' reef							
Quarter ended September 1984	3 146	730	187.4	4.75	605	0.15	39.42
Quarter ended June 1984	2 890	806	66.6	5.61	484	0.20	16 63
Year ended September 1954	11 784	3 272	101.2	4.01	497	0.16	16 00

The development reported does not include development by President Brand Gold Mining Company Limited in the area under tribute to that company.

ORE RESERVES
(See note 1)

	Based on gold price per kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1984	R14 000	13 030	161.7	9.70	1 562	0.10	16 62
	R15 000	13 902	162 1	9.47	1 535	0.10	18 80
	R16 000	14 302	162.4	9 32	1 515	0.10	16.82
June 30 1985	R15 000	14 451	156.1	9.62	1 553	0.10	16.24

DIVIDEND

Details of the dividends declared in respect of the year ended September 30 1084 are as follows:

	Dividend No. 56 (Interim)	Dividend No. 59 (Final)
Declared	April 18 1984	October 18 1984
Per share	210 cents	240 cents
Payable to members registered	May 11 1984	November 9 1984
Payment date	June 15 1954	December 14 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1954 totalled R10 796 000.

PRODUCTION

Production for the quarter was affected by an underground fire in the No. 4 Shaft area during September and by extensive damage caused to the S2 sub-incline shaft when a rope broke and a full skip travelled out of control down the shaft. Noone was injured in either accident. The fire has been sealed off and the S2 sub-incline shaft should be operational by mid-November. Production for the December quarter is unlikely to be affected as tonnage will be drawn from other areas.

For and on behalf of the board
G. S. YOUNG
E. P. GUSH } Directors

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
OPERATING RESULTS			
Gold			
Area mined—m² 000	252	237	897
Tons milled 000	1 176	1 114	4 314
Yield—g/t	6.03	6.15	6.19
Production—kg	7 089	6 851	25 691
Cost—R/m² mined	356.90	346.54	361.74
—R/ton milled	76.39	74 01	75.25
—R/kg produced	12 706	12 034	12 162
JMS (See summary) Slimes delivered			
Tons 000	170	135	1 507
Head grade			
uranium—kg/t	0.08	0.09	0.00
sulphur—per cent	0.85	0.96	0.99
gold—g/t	0.52	0.52	0.48
PRICE RECEIVED ON SALES			
Gold—R/kg	17 588	15 652	15 598
—$/oz	335	379	370
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	124 160	107 340	420 756
—costs	90 073	82 446	324 611
—profit	34 867	24 894	96 145
JMS profit	1 447	738	3 397
Net sundry income	3 949	688	10 961
Profit before taxation and State's share of profit	39 483	26 520	110 723
Provision for taxation and State's share of profit	10 739	5 479	19 725
Profit after taxation and State's share of profit	28 744	21 041	91 408
Deduct:			
Appropriation for capital expenditure			53 114
Dividend—interim			14 004
—final			24 012
Retained profit for the year			278
Capital expenditure	38 185	11 480	52 090

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended September 1984	19 161	926	32.3	48.32	3 296	0.42	13.72
Quarter ended June 1984	19 424	1 734	109.5	11.25	1.232	0.11	12.44
Year ended September 1084	75 025	6 094	63.6	14.12	1 183	0.15	12.32
Leader reef							
Quarter ended September 1984	833	192	97.6	3.25	317	0.14	13.59
Quarter ended June 1984	747	392	139.0	4.53	630	0.15	20.35
Year ended September 1984	2 908	1 130	121.6	4.25	818	0.15	16.10
'A' reef							
Quarter ended September 1984	1 895	424	78.5	7.52	590	0.13	38.54
Quarter ended June 1984	1 169	378	133.7	2.63	379	0.07	9.27
Year ended September 1084	5 054	1 436	105.6	4.08	813	0.11	11.11
"B" reef							
Quarter ended September 1984	230	34	63.6	4.40	280	0.10	8.27
Quarter ended June 1084	256	54	79.6	2.86	226	0.05	3.61
Year ended September 1984	1 318	230	129.3	1.75	228	0.05	8.38
Elsburg reef							
Quarter ended September 1984	—						—
Quarter ended June 1984	46						—
Year ended September 1984	120	12	245.0	0.56	137	0.02	4.30
[illegible]	958	834	251.8	3.82	962	0.03	8.14

The development reported includes development by the company in the area under tribute from Free State Development and Investment Corporation Limited but does not include development by Western Holdings Limited in the area under tribute to that company.

ORE RESERVES
(See note 1)

	Based on gold price per kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1984	R14 000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.12
	R15 000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.17
	R16 000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.22
June 30 1985	R15 000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.69

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1984 are as follows:

	Dividend No. 54 (Interim)	Dividend No. 55 (Final)
Declared	April 16 1984	October 16 1984
Per share	135 cents	230 cents
Payable to members registered	May 11 1984	November 9 1984
Payment date	June 15 1984	December 14 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1984 totalled [illegible].

For and on behalf of the board
E. P. GUSH
G. S. YOUNG } Directors

October 19 1984

WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of WESTERN HOLDINGS LIMITED.

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
OPERATING RESULTS			
Gold			
Area mined—m² 000	173	187	663
Tons milled—000	929	845	3 532
Yield—g/t	6.30	6 33	6 32
Production—kg	5 858	5 778	23 016
Cost—R/m² mined	327.98	311.13	313 86
—R/ton milled	61.08	56 71	56.92
—R/kg produced	8 596	6 903	9 341
JMS (See summary) Slimes delivered			
Tons 000	1 596	1 540	7 177
Head grade			
uranium—kg/t	0.12	0.11	0.11
sulphur—per cent	0.76	0.81	0.82
gold—g/t	0.85	0.76	0.72
PRICE RECEIVED ON SALES			
Gold—R/kg	17 519	15 610	15 443
—$/oz	341	377	366
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	100 122	90 940	359 652
—costs	56 741	51 962	200 886
—profit	43 381	38 976	151 764
JMS profit	9 300	6 861	30 206
Net sundry (expenditure) income	(61)	2 019	4 207
Dividend from Welkom Gold Mining Company Limited	5 755	—	18 284
Profit before taxation and State's share of profit	58 569	47 848	196 361
Provision for taxation and State's share of profit	(8 809)	14 154	27 570
Profit after taxation and State's share of profit	53 468	33 694	166 991
Deduct:			
Appropriation for capital expenditure			119 399
Dividend—interim			21 060
—final			28 080
Retained profit for the year			452
Capital expenditure	52 971	20 450	116 640
SHAFT SINKING			
No. 5 shaft	metres	metres	metres
Advance	—	110	290
Depth to date	1 935	1 935	1 935
Station cutting	—	1 396	3 193

No shaft sinking or station cutting took place as irreparably corroded ventilation columns were being replaced and the shaft had then to be be-watered. These operations *are now complete* and shaft sinking has re-commenced.

	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
No. 1A shaft			
Advance	101	56	612
Depth to date	1 237	1 136	1 237
Station cutting	30	05	125

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended Sept. 1984	6 231	374	74.6	21.81	1 627	0.07	5.30
Quarter ended June 1984	6 401	566	54.4	32.44	1 765	0.17	9.16
Year ended Sept. 1984	26 633	2 102	87.7	26.87	1 765	0.14	9.31
Leader reef							
Quarter ended Sept. 1984	3 777	1 206	159.0	3.83	612	0.11	17.03
Quarter ended June 1984	3 260	1 216	129.3	5.29	425	0.12	15.06
Year ended Sept. 1984	13 397	4 678	139.2	3.76	526	0.11	15.61
'A' reef							
Quarter ended Sept. 1984	800	380	62.6	5.03	315	0.13	7.86
Quarter ended June 1984	500	476	60.7	4.01	296	0.11	8.91
Year ended Sept. 1984	2 662	1 278	72.5	4.78	347	0.11	7.70

The development reported includes development by the company in the area under tribute from President Steyn Gold Mining Company Limited.

ORE RESERVES
(See note 1)

	Based on gold price per kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1984	R14 000	7 698	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	R15 000	8 309	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	R16 000	8 767	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June 30 1985	R15 000	6 641	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1984 are as follows:

	Dividend No. 66 (Interim)	Dividend No. 59 (Final)
Declared	April 18 1984	October 18 1984
Per unit of stock	150 cents	200 cents
Payable to members registered	May 11 1984	November 9 1984
Payment date	June 15 1984	December 14 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1984 totalled R73 143 000.

STRIKE

The strike by members of the National Union of Mineworkers during the quarter affected underground production for two days but mill throughput was maintained by drawing from stockpiles.

For and on behalf of the board
E. P. GUSH
G. S. YOUNG } Directors

October 10 1084

JOINT METALLURGICAL SCHEME

SUMMARY	Quarter ended Sept. 1984	Quarter ended June 1984	Year ended Sept. 1984
(i) Pyrite flotation plants			
slimes treated—tons	3 148 000	2 935 000	14 450 000
(ii) Uranium plant			
slimes treated—tons	799 000	726 000	3 567 000
concentrate treated—tons	76 000	78 000	373 000
uranium oxide produced—kg	332 870	120 047	804 706
(iii) Acid plant			
acid produced—tons	95 145	47 967	306 455
(iv) Gold plant			
calcine treated—tons	88 220	80 813	396 380
gold produced—kg	1 258	722	3 774
(v) Profit—R000	14 358	11 021	47 660

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. ORE RESERVES
At June 30 1984 ore reserves were estimated at a pay limit based on a gold price of R15 000 (1983: R15 000) a kilogram. Also shown at that date are ore reserve tonnages estimated at pay limits based on gold prices of R14 000 and R16 000 a kilogram to indicate the sensitivity of the ore reserves to gold price variations.
2. DIVIDENDS
Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, October 18 1984, of final dividends for the year ended September 30 1984.
3. DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper.

LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

UK COMPANY NEWS

M.Y. Dart still recovering but short of expectation

THE ELIMINATION of loss-making overseas trading activities has been successfully completed at M.Y. Dart, Hertfordshire-based manufacturer of sports equipment, packaging materials and pyrotechnics, during the six months to end-June 1984.

From a loss of £45,000 last time, the group has returned taxable profits of £105,000. Although profitability has not matched the group's ambitions, Mr Paul Marks, chairman, says the directors believe that action should lead to a further uplift in the group's performance in 1985.

Turnover fell during the period, from £12.02m to £10.58m. Of this, packaging, which made "substantial progress," moved ahead from £5.03m to £5.26m, making a profit of £442,000 against £232,000.

Dawes Cycles has performed well, but elsewhere the sports and leisure division continued to come under pressure and further rationalisation has been effected. The UK sports and leisure arm increased sales from £4.62m to £4.84m, although losses increased from £26,000 to £156,000.

The pyrotechnics business was severely affected by the loss of a major export contract, the chairman reports, and sales here were down from £875,000 to £474,000, making a loss of £97,000 (£167,000 profit).

Pre-tax profits were struck after reduced interest payments of £175,000 (£319,000) and before exceptional charges of £84,000 (£51,000) representing redundancy and related costs.

Looking at future prospects, Mr Marks says that packaging, which is now the group's largest business, is expected to continue to trade successfully. Investment in new plant and machinery, will maintain the company's competitiveness in key market areas.

Dawes cycles is also benefiting from recent capital expenditure, he says, while vigorous management action is being taken to improve performance and reduce costs in the sporting goods business. "This will release properties surplus to our future needs, the disposal of which should result in a significant reduction in borrowings."

Costs have been reduced in pyrotechnics business, he adds, and efforts continue to be made here to broaden the market base to mitigate the dependance upon a few large contracts.

The directors have declared an unchanged interim dividend of 0.25p. For the year to end-December last a total of 0.75p was paid on taxable profits of £256,000.

Net earnings per 10p share for the first half were shown as 0.54p compared with a loss of 0.24p per share, and on a fully diluted basis as 0.51p (loss 0.22p).

After extraordinary income of £52,000 (£19,000), and dividend costs of £48,000 (same), the profit transferred to reserves amounts to £109,000, against negative outflow of £74,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Barlows, Fortnum and Mason, Forward Technology, Lake View Investment Trust, Scottish Television.

Finals:—Border and Southern Stockholders Trust, Lowland Investment, North Sea Assets, Pochin's, Rand Mines Properties.

FUTURE DATES

Interims:—	
Capital Gearing Trust	Nov. 8
Estates and Agency	Nov. 2
Mitlor (Stanley)	Oct. 29
Milletts Leisure Shops	Nov. 1
PCT	Oct. 25
Tysons (Contractors)	Nov. 8
Finals:—	
Epicure	Oct. 26
LDH	Oct. 24

Walker & Homer pays 0.5p dividend

Although pre-tax profits in the year to July 31 1984 fell from £589,000 to £455,000, Walker & Homer Group, upholstered furniture manufacturer, is restoring its dividend—after a five-year absence—with a payment of 0.5p net.

The company serves the middle range of the upholstery market, which continues to be severely hit by the adverse economic climate and in particular, the miners' strike, the director's state.

The immediate prospect therefore, continues to cause concern, since in addition to industrial unrest, the company is also faced with a depreciating currency, which inevitably leads to rises in material costs.

Turnover rose from £20.85m £22.53m. Earnings per 5p share were lower at 2.25p (4.43p) after a tax charge of £154,000 (£4,000 credit). There was also a £77,000 extraordinary debit this time for rationalisation costs.

Rationalisation begins to bear fruit for Selincourt

THE RESTRUCTURING programme undertaken last year at Selincourt is beginning to pay off with a "strong upward trend" in the taxable result for the six months to July 31 1984.

In line with the board's expectations, the interim figures show an advance with profits more than doubled at £206,000 against a depressed £101,000. In the last full period a stronger second half lifted the total for the year to £791,000 (£407,000).

Despite the generally poor trading conditions throughout the first half, and the rationalisation activities, turnover slipped "only slightly," from £31.38m to £30.52m—Selincourt trades in the textile, lace and fashion garment business.

On current prospects, the directors state that selling for the new spring season has made an encouraging start, and they expect to see the improvement in the UK and Australian operations continue into the second half.

In order to preserve trustee status, the directors have declared a nominal interim dividend unchanged at 0.025p net per 5p share, equivalent to the total last time. Earnings are given as 0.29p (0.14p) per share.

Tax was up from £23,000 to £51,000, and minorities took £3,000 (£4,000) to leave profits at £152,000 (£74,000) at the attributable level.

In commenting on the half-year figures, the directors consider that the design and quality of the group's products have enabled it to overcome the worst effects of the poor market conditions. There was a strong positive trend in the UK results, with benefits coming through from the previous year's rationalisation programme.

However, Tricosa operated at a trading loss in a very depressed French market and, as previously indicated, is currently undergoing a major rationalisation programme in France.

Castle (GB) rises 22% and more to come

Mr Richard Troughton, chairman of Castle (GB), is confident of further growth following 22 per cent increase in full year group taxable profits from £1.19m to £1.46m on sales of £16.32m against £15.97m.

"We still only have a very small share of the kitchen market," he says and adds that "bathrooms are in their infancy." Olmar, the recently formed division engaged in electrical, gas and related appliances, has "considerable potential."

"In addition we are continually looking for new opportunities and have in fact identified two such areas which we are investigating in depth," says Mr Troughton.

Shareholders in this USM stock are set to receive a final dividend of 1.78p, making a total of 2.9p for the year to July 2. 1984. A solitary final payment of 0.6p was made last year. Stated earnings per share rose from 6.27p to 9.91p after tax of £273,000 (£513,000).

Over the 12 months kitchen operations provided the lion's share of profits with its contribution of £1.47m compared with £1.33m.

Losses from bathroom activities were substantially reduced to £32,000, against £133,000, following a £60,000 profit in the second half, and the chairman says that further progress should be made in the current year.

The chairman says that the initial response to the launch of Olmar built-in kitchen appliances and accessories was very encouraging. "This division is growing rapidly and has traded profitably from the outset," he says.

Olmar contributed £21,000 to group profits on turnover of £274,000. The kitchen division had turnover of £13.72m (£12.38m) while bathrooms' sales advanced to £2.33m (£1.53m).

During the year Castle replaced its existing kitchen cabinet system with a brand new design, extended the choice of cabinet colours from two to three, and added six new doors to the range.

This, says Mr Troughton, "was a major exercise which will not have to be repeated for several years but it has enabled us to increase the number of displays within our stockists, and this should provide us with increased turnover in the future."

He adds that new products have been added to the bathroom range which, he says, is now one of the most comprehensive available.

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MINING NEWS

A good showing by Anglo golds

BY KENNETH MARSTON, MINING EDITOR

A SET of good profit increases from the gold mines in the Anglo American Corporation group completes the latest batch of September quarter reports from the South African gold producers. Accompanying them is a satisfactory batch of final dividends from the Orange Free State mines.

Free State Geduld comes out particularly well with a better than expected final dividend of 230 cents (107c). This is ahead of the previous year's final but following the subsequently reduced interim it leaves the total for 1983-84 at 365 cents against 455 cents for 1982-83.

Of the other finals, that of President Brand makes a year's total of 350 cents against 310 cents; President Steyn 450 cents against 535 cents; and Western Holdings 565 cents against 650 cents. The dump retreatment operation East Rand Gold and Uranium (Ergo) is paying an unchanged interim of 27.5 cents for the year to next March.

The latest payments are compared in the following table.

	Oct cents	April cents	Oct cents	April cents
ERGO	*27.5	35	*27.5	28
F.S. Geduld	230	*135	215	*240
Pres. Brand	200	*150	220	*90
Pres. Steyn	240	*210	275	*260
W. Holdings	315	*250	325	*325
Welkom	82	*64	84	*91

* Interim dividend.

Net profits of the mines have been boosted by the high gold prices received in terms of South African rands. President Brand has lifted its earnings by as much as 94 per cent over the previous quarter while Western Holdings has achieved an 83 per cent increase.

However, both mines over-provided for tax in the previous quarter with the result that subsequent sharply increased tax-offsetting capital spending has left them with tax credits, rather than deductions, in the latest quarter.

Elandsrand, which has lifted net profits by 95 per cent, states that the provision for company taxation made earlier in the year has been reversed as the company is allowed to offset its non-mining income against the tax loss brought forward.

Vaal Reefs is the only mine to report a reduced quarterly net profit. Although it earned more from gold it was not due in the latest quarter to receive a dividend from Southvaal and there was also an increased tax charge.

The quarterly net profits are compared below.

	Sept qtr R000	June qtr R000	March qtr R000
ERGO	13,931	12,765	19,803
Elandsrand	28,190	14,830	18,495
FS Geduld	28,744	21,041	20,103
Pres. Brand	66,485	33,694	40,481
Pres. Steyn	30,895	28,828	25,211
SA Land	1,190	957	979
Vaal Reefs	93,465	111,742	82,193
W. Deep	82,930	66,456	47,847
W. Holdings	61,467	33,880	39,573

† Restated.

The extent of the increase in gold prices received over those of the previous three months is underlined in the following table. It also shows that there was relatively little variation in average prices obtained by the individual mines.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce):

	Qtr ended Sept 30	Qtr ended June 30
ERGO	R17,320 ($334)	R15,622 ($375)
Elandsrand	R17,610 ($349)	R15,658 ($382)
Free S. Geduld	R17,289 ($335)	R15,652 ($379)
President Brand	R17,615 ($341)	R15,610 ($377)
President Steyn	R17,424 ($340)	R15,671 ($379)
SA Land	R17,354 ($335)	R15,580 ($377)
Vaal Reefs	R17,554 ($338)	R15,650 ($379)
Western Deep	R17,437 ($339)	R15,654 ($382)
Western Hldgs	R17,318 ($336)	R15,645 ($379)

Ground movements at Western Deep have resulted in a dilution of the grade of ore hoisted and the planned gold production for 1984 has had to be further reduced by 1,000 kg to 36,000 kg. The capital spending programme is to be speeded up—raising the forecast total for the year to R210m from R101m—and the service shaft should thus be operational by the first quarter of 1986.

Inco sells less in third quarter and losses rise

LOWER nickel sales resulting from "seasonal factors" are reflected in an increased third quarter loss for Canada's Inco of US$31.6m (£26.6m), or 38 cents per share. This follows a loss of $15.1m in the previous three months when the company achieved operating earnings ($31m) for the first time since the March quarter of 1982.

Even so, Inco still had operating earnings in the latest quarter and its total loss for the first nine months of this year is more than halved at $81.8m compared with a loss of $180.3m in the same period of 1983.

The improvement is stated to reflect reduced unit costs in both the primary metals and alloy products businesses together with increased sales of nickel and precious metals. There was also some improvement in nickel prices but those of copper were lower.

Shutdown costs of $10m were incurred in the first nine months of this year compared with $81m in 1983, while severance costs and property write-offs amounted to $44m in the first nine months of 1984 of which $15m arose in the third quarter.

On the other hand, the company received $11m in August from the sale of a royalty interest in Echo Bay's Lupin gold mine.

Inco's nickel stocks at September 30 amounted to 85m lb compared with 94m lb at June 30 and 83m lb at the beginning of this year.

Total debt was reduced by $52m in the first nine months of this year thanks, mainly, to proceeds of $66m from the sale in August of cumulative redeemable preferred shares.

BP offers a new deal to Seltrust holders

THE expected restructuring plan is announced for British Petroleum's 75 per cent-owned Australian Seltrust Holdings subsidiary which is expected to fall back into significant losses in the current half year while struggling under a heavy debt burden.

Essentially, the deal does not call upon public shareholders for more cash and leaves them with the company's debt-free gold interests.

BP will then fully own Seltrust with its debt burden and remaining non-gold interests. These assets include the drillship, a stake of 5 per cent in the Mount Newman iron ore venture and the 60 per cent-owned Agnew nickel mine in Western Australia.

Robert Research have valued Seltrust's major assets at A$116m whereas they have been in the books at A$209m. The value put upon the stake in Agnew is only A$22m against a book value of A$132m.

A new listed company is to be formed to acquire Seltrust's major gold interests, notably the 56.25 per cent stake in the promising Temora prospect in New South Wales. The new company will have an initial working capital of not less than A$8m (£5.5m) cash.

Holders of Seltrust, other than BP, will be offered for each share a package in the new company consisting of three shares of 20 cents plus three options each to acquire a further share at par which will run until the end of 1989.

A cash alternative will be available, this being via the underwriting of the three-shares-plus-three-options package at 54 cents (about 37p at current exchange rates). In other words, Seltrust holders will have the alternative of 54 cents cash for each Seltrust share.

Because of the basis of valuation the two figures for Agnew are not strictly comparable, but BP states that they still underline the need for a restructuring of Seltrust. Dealings in the shares were suspended in London yesterday at 47p and in Australia at 70 cents.

Inspiration plans U.S. oil and gas take-over

A MOVE designed to gain advantage out of necessity is one way of looking at the rather complicated proposals for improving the battered fortunes of the U.S. copper-producing Inspiration Resources Corporation (IRC).

In the recent annual report of the Anglo American Corporation group's Bermuda-registered Minerals and Resource Corporation (Minorco) it was confirmed that a further $100m was to be invested in IRC in order to maintain Minorco's equity stake at around 60 per cent and ease the strained finances of IRC.

IRC's 60 per cent-owned subsidiary, Danville Resources, holds 53 per cent of Madison Resources, a U.S. company which has about $400m worth of good quality oil and gas assets plus some $100m cash. IRC is now aiming to raise its stake in Madison to over 90 per cent.

It intends to do this by offering three shares plus $5 cash for each share in Madison. This will involve a considerable increase in the IRC issued capital, hence Minorco's need to subscribe some $100m for additional IRC shares in order to maintain its percentage holding.

If the deal goes through it will have three advantages for IRC. It will reduce the company's debt (via use of part of the Minorco and Madison funds), it will further diversify the company's oil and gas interests and make for a wider public holding in its shares.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

The residential market

Profits are the priority

BY GUY DE JONQUIERES AND JASON CRISP

BRITISH TELECOM'S slick self-portrayal as a fast-moving high-technology business using satellites, microchips and optical fibres is still at odds with most people's everyday experience. For the general public, BT is less the power behind the button than the snap and crackle down the telephone line.

Changing that perception among its 16m residential customers is one of the most demanding — and politically most delicate — tasks facing BT's management as it strives to shape the sprawling organisation into a tightly-run commercial enterprise.

To succeed, it will need to rewrite many of the economic rules which have governed its business since the turn of the century. It is also out to engineer a quiet revolution in attitudes among its customers, many of whom regard the telephone as a necessary evil rather than as an extension of their personal freedom.

Like national telephone monopolies worldwide, BT has long provided residential connections more as a public service than as a profit-making business. Though it has billions of pounds worth of assets locked up in its local network, the return on that investment has long been marginal at best.

A typical UK household is, indeed, something of a commercial liability, using its telephone only once a day for between five and 10 minutes. BT has long financed its local service by subsidising it out of profits from international and trunk circuits.

However, the introduction of competition is rapidly undermining the economics of that cross-subsidy. Mercury, the only other UK carrier licensed so far, is naturally interested in challenging BT's monopoly only on its most lucrative routes. BT has already reacted to the threat by cutting sharply its tariffs for international and trunk calls.

As a consequence, getting residential service to pay for itself is a high priority, and one which BT would have had to face if it were not being privatised. Says Iain Vallance, managing director of Local Communications Services (LCS), the huge division responsible for the local network: "If we don't get LCS right, we don't get BT right."

For most households, BT is likely to remain the only source of telephone service for many years to come. This is recognised in its licence, which imposes special social obligations on it. Even so, striking the right balance between the interests of its future shareholders and those of the community at large is likely to require skilful handling of public opinion.

BT is still debating, for instance, whether to charge for directory inquiry services, currently provided free. It is also approaching cautiously the future of its public telephone kiosks, which lost £50m last year.

Nonetheless, charges for less profitable services are being pushed up. BT's latest price package calls for a rise of 2.1 per cent in average inland tariffs—the maximum permitted by the new formula limiting its price increases. But it is structured in such a way that residential subscribers are expected to face a sharper increase in their bills than business customers.

This "rebalancing" process is intended to align prices for BT's main services more closely with true costs and cut the advantage offered to competitors on highly profitable routes. Exactly where the equilibrium point lies, though, is still something of a mystery. "Re-balancing is more an art form than a science," says Colin Williams, commercial director of National Networks, the BT division responsible for trunk services.

The exercise is complicated by lack of precise information about where BT makes and loses its money. New accounting systems, now being installed, should help.

BT has little idea, either, of how the steady rise in residential charges during the next few years will affect calling volumes. But it believes that there is still plenty of scope to stimulate heavier usage of its local network through more effective marketing. Its primary objective is to get existing subscribers to use their telephones more, rather than to attract new ones.

Telephone penetration in Britain is still quite low by international standards, with less than 35 connections for every 100 people against 41 in the U.S. and 60 in Sweden.

"But when you add customers, you tend to add marginal customers with less income to spend," says Nick Kane, LCS marketing director. By contrast, BT estimates that if every existing residential subscriber could be persuaded to make one more trunk call a week, its annual profits would be boosted by by £350m.

It has already been encouraged by the response to recent advertising campaigns designed to stimulate telephone usage.

The organisation believes that it has much to learn from the U.S., where residential telephone usage is three times higher than in Britain. To find out why, it has commissioned detailed market research into telehpone habits on both sides of the Atlantic.

BT managers think they already have some answers, however. "So much more purchasing of goods and services is done by telephone over there, using credit cards to pay," says Dr Peter Troughton, head of London region. "That sort of thing is in its infancy in Britain."

Longer term, it believes that the key to getting more customers' fingers to do the walking lies in shifting subtly the attitudies of a public which has long viewed the telephone either as a luxury or a lifeline. "We need to change the culture of the customer," says Nick Kane. "We need to understand his psychological approach to the telephone."

One popular idea which is already starting to change is that the telephone receiver is just a piece of standard equipment provided as part of BT's service. Since the outright sale of telephones was authorised two years ago, consumers have been offered a much wider choice of products equipped with features such as repeat dialling and number storage facilities.

Almost 5m extension telephones are expected to be sold this year—most of them supplied by BT, which has been aggressively building up its marketing effort. Demand is expected to grow even faster from next year, when BT loses its monopoly over the rental of the first telephone in homes.

However, as BT itself recognises, the single biggest incentive to use those telephones more would be an improvement in its own service. The organisation has already started to tackle some particularly glaring deficiencies, notably waitin glists for telephones, noisy circuits and leisurely repair times.

Dramatic further improvements are promised for later this decade, as it steps up investment in modern electronic equipment. By the late 1980s, it aims to place all its customer records on computerised data bases, to which its local staff will have instantaneous access via desktop terminals. Computerisation should also produce substantial cost savings.

The plan will replace a Kafkaesque maze of mostly paper-hased records which has grown up over decades. Even as simple a task as keeping a customer appointment on time can be a major exercise, requiring the laborious collation of essential information scattered around several different stacks of dog-eared cards. "We are the cobblers' children when it comes to using our own technology," says Vallance.

The directory inquiry service is also being computerised, which should speed up service sharply. BT is considering linking business customers to the computers via the Prestel service so that they can check numbers on their own terminals.

In parallel, irksome problems such as crossed lines and poor call connections should be eliminated at BT re-equips its network with the latest digital exchanges. After a slow start, the modernisation programme is moving rapidly into top gear. About 1m subscribers should be served by digital local exchanges by 1986, building up to 10m by 1990.

These exchanges will also offer services such as automatic diversion of calls to another number and blocking of incoming calls. BT hopes these facilities, known as "star" services, will become an important source of revenue. However, at tbe current quarterly charge of £19.50, it is nnclear how strong demand will be.

The broad direction of BT's network modernisation programme was set while it was still a legal monopoly and is unlikely to change much in the next few years. But BT managers believe that commercial pressures could dictate a radically different approach in the early 1990s.

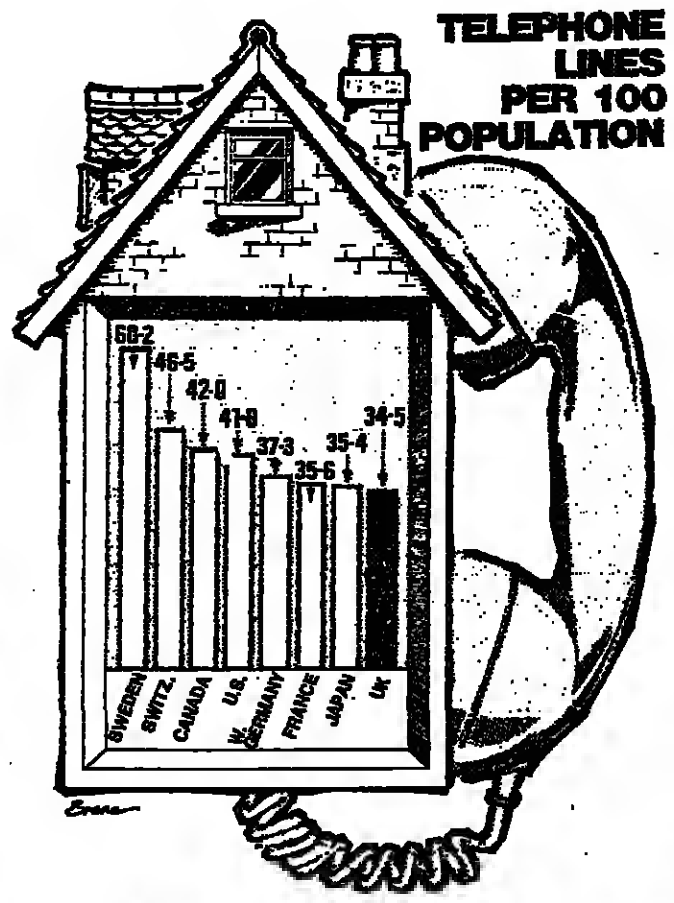
By then, there is likely to be rivalry from technologies such as cellular mobile radio and cable television, which make it possible to bypass the local network altogether. To stay competitive, Bt will have to direct invesatment to those areas where it will earn the highest return.

Its licence requires it to operate a nationwide service. But whether it will continue to be the same service, offered everywhere on the same terms, seems much less certain. In this, as in many other areas, BT is moving into uncharted territory, where the old monopoly rules provide little guidance for the future.

Previous articles in this series appeared on October, 8, 10, 12, 15 and 17. The City's view will be discussed tomorrow.

Trevor Humphries

Iain Vallance: If local services are not put right, "we don't get BT right"



Product development

Modern strategies to weigh up cost and risk

WHEN Sweden's L. M. Ericsson and Canada's Northern Telecom began the rapid-fire development of new public telephone switching systems in the 1970s, they dealt with the immense technological difficulties of their projects on a step-by-step basis; components with new technology were introduced only gradually, and the simplest product variants were launched first.

Such an approach to speedy prodnct development would have been applicable to Boeing's development of its new 767, an aircraft which contains an almost equally wide range of new technologies and components. One of the company's main tactics was to develop and test many key parts on existing aircraft before the 767 was fully specified, so that they were proven before its first test flight.

This analysis of different ways in which companies are speeding-up tha product development process emerges from unpnblished new research by McKinsey's European technology management practice, led by Dr Edward Krubasik, a partner in tha firm's Munich office. It adds an extra dimension to the growing hody of investigation into the steps that companies are taking to accelerate development, and thereby become more competitive (see "A vicious race to get ahead," page 16, September 19).

One of the main conclusions of the McKinsey work is that the ideal tactics for a company in any given situation are heavily infinenced hy tha varying relationship between three factors: the cost of late entry to the market; the relative burden of development costs to the company's resources; and, underlying both factors, the extent of technological and market uncertainty.

When they began their development programmes, Ericsson and Northern Telecom were all too aware that, on every one of these counts, cost and risk were extreme. IBM, by contrast, was not in as vicious a three-pronged grip with the decision to develop its first personal computer in just 14 months: though the cost of possible late market entry was extremely high, development costs were very low relative to its financial resources, and both techaical and market uncertainty were minimal.

IBM could therefore remove all its normal management disciplines in giving the development team complete independence to run a "crash" programme, in which cost was virtually no object. It would also compress lead times by going to outside suppliers for much of the system's components and hardware. Little of this freedom of manocuvre was available to the two telephone switching manufacturers.

Though the degree of development risk to some extent dictates the range of tactics available in any situation, Krubasik argues that companies shoudd become more creative in their search for tactical alternatives. They should, for example, consider the careful use of licensing an immediate generation of products, in order to gain quick market entry and shift resources on to the development of the next generation.

In many industries the main stimulus for the speeding-up of development is the tieed to get products into the market more rapidly in order to exploit their shortening life cycles. But in the pharmaceutical industry, Krubasik points out, the prime motivation for earlier product launch is to secure extra (high-margin) sales during the drug's patented life: "The potential revenue gain is enormous," be says.

In long-cycle industries, such as aircraft, he argues, the incentive is less to speed tho launch than to reduce technical and market risk by starting the development process later. As in the case of the Boeing 767, this renders more predictable the factors which will prevail several years into the future, when potential customers actually decide what they need, and whose product to buy.

Christopher Lorenz

THE PROPERTY MARKET BY MICHAEL CASSELL

Mr Ritblat's £90m property deal clears up a little misunderstanding

JOHN RITBLAT, the inexhaustible enthusiast who runs British Land, one of the UK's largest property groups, is the last word in smart suits and financial sophistication.

Yet the man who this week bought £93.5m worth of properties from the Rank Organisation and pushed his own company's gross property assets nearer £600m, is the first to admit that the organisation he dragged back from the brink of extinction a decade ago has still got big problems with its image.

They are problems which, he insists, are total unjustified and which clearly irritate the 49-year-old chairman and managing director as well as his board colleagues.

The difficulty, as he sees it, lies in British Land's singular approach to the property business and in the inability of outsiders to fully appreciate it. *What Ritblat sees* as initiative and innovation, others sometimes view with incomprehension.

The net effect has been to leave British Land with a weak City rating and one of the highest discounts to net assets in the property share sector.

Critics have a number of reasons for their minted enthusiasm — growth in earnings has until now been less than spectacular — but perhaps top ofthe list is the group's apparent readiness, repeatedly demonstrated, to leap into non-property trading and investment activities.

Such sorties have given British Land interests as diverse as the manufacture of military sleeping bags, corrugated board and concrete bricks and have left analysts wondering what on earth Mr Ritblat and his highly experienced team will do next.

Ever willing to oblige, the company announced in August that it was paying £11.25m for Gripperrods, the carpet laying fittings group. Strategic share stakes, like the 7 per cent it currently holds in shoemakers Stylo, come and go, helping to *cloud the image* and giving rise to uncertainty about the group's prospects and future direction.

Mr Ritblat, hardly wracked with indecision and self-doubt, *has no such misgivings* and says that the bargain acquisition of the best part of £100m-worth of properties should set people's minds at rest.

"People say that British Land is a difficult company to understand. I say it is simplicity itself and that people choose to misunderstand." The only problem is that Mr Ritblat undoubtedly has one of the fastest minds and tongues in property finance and what he quickly grasps can invariably leave others scratching their heads.

Ritblat emphasises that every time he creates £1m in earnings, he can effectively support another £10m worth of growth. "We have to buy things. We didn't grow up in the days of cheap money. We have had to raise money only at times when interest rates have been in double figures.

"We have pushed up our 1970 net worth from £3m to around £260m and every single penny has been generated internally. I am not complaining, but the biggest disadvantage under which we have had to labour is lack of cheap gearing."

"We buy Gripperrods and people cannot understand it. This year, a business which cost us £9m net of cash will generate between £2m and £2½m of profits. I don't know where else you can get an instant 25 per cent return. We have already written off the goodwill, so we have got the business for nothing.

"A lot of the things we have bought have been badly organised and under capitalised but we have pulled them together. This year, our industrial division will make up to £5m net, which is not had on capital employed of £12½m. The extra yield we derive from funds tied up in other businesses is our substitute for other people's long-term money."

Ritblat says the hard work of the last few years is now poised to pay off and that British Land is "bursting out all over with masses of growth on the way." It is a typically optimistic viewpoint from a man who remained bullish throughout the darkest days. In 1974, when the property world sank in a mire of weak demand and bad financing, Ritblat just manager to scramble to safety.

Ritblat—"people don't get the message"

British Land's share price dived to just 4p in 1974, but characteristic quick-thinking and some iron nerves haved the day and the company.

Ritblat first made his mark in the property world back in 1959 when he set up Conrad Ritblat, the West End estate agency, with colleague Neville Conrad. He remembers a 4 per cent bank rate, an FT index at 225 and a property market in which leases were reviewed every 33rd year and particularly aggressive landlords tried reducing them to 21 years.

His experience has put him in good stead and his knowledge of the property marketplace, together with his highly developed financial flair, make him one of the few significant, remaining entrepreneurs in a business which often seems stifled by an overbearing institutional influence.

As for this week's purchase of the Rank City Wall portfolio for £68m, to show a 27 per cent discount on the gross assets involved, Ritblat readily acknowledges that the package is hardly prime.

"We don't always need alpha-plus properties. It can be very attractive to have A-minus or B-plus. They can offer better yields and provide considerable room for manipulation.

"We do not plan to spend much on the properties but we will do some pruning. The whole deal will be totally self-financing in terms of holding costs and in terms of improvement. We will buy just as many packages like this as the market cares to offer."

Both Rank and Ritblat concede that the vendors could have done a great deal better for themselves if they had been prepared to undertake a gradual disposals programme but Rank was in a hurry and British Land were standing by. Included in the portfolio of over 80 properties are six shopping centres and a mixed bag of shops, office and industrials stretching from Dunfermline to Dover. Over 60 per cent of the portfolio is in retail investments and the sale will double British Land's own retail exposure to around 20 per cent.

According to Ritblat: "An institution, even supposing it were interested, would find it hard to complete this sort of deal. They simply do not have the flexibility which was necessary in order to fit in with Rank's requirements. That cuts out half the competition and, as for the rest, it is not easy to write cheques for £50m. We have always made a virtue of having large cash resources and facilities which enable us to move fast."

The last time Ritblat put his philosophy into practice was in January when he paid £31.5m for Wimpey Property's half-share in Euston Centre properties. "Most people cannot finance a purchase of shares for 50 per cent of a company, so there was not much competition," he adds.

Perhaps one reason why competitors for the Rank package were not jostling for position was the tax burden associated with the portfolio. If Rank was to have liquidated the portfolio, substantial tax liabilities could have arisen and these have now been passed on to Ritblat's team.

British Land has certainly shown past form in saving tax where others have failed and the Rank deal is expected to be no exception. There are no elaborate schemes in mind, however, and the casual dismissal of such a potentially large liability is put down to good tax planning.

According to Ritblat "Tax basically in Britain is very low if you set about things in the right manner. We had our tax strategy fixed even before we got to first base with Rank."

The deal has left the company with high gearing on the capital front but Ritblat says that is only dangerous if income stream is unhealthy.

"This transaction speaks volumes about what sort of company we are, but some people don't get the message. They say City of London property is best and then question our high exposure through ownership of Plantation House, one of the best bits of property in the Square Mile.

"We make £25m on the Rank acquisition; it is an attractive deal but no doubt some people will turn up their noses." Mr Ritblat believes people will soon take on board the full potential of a revitalised British Land. It is just that they are sometimes a little slow.

IBA Investments

Investments For Sale

Offices To Let

Factories and Warehouses

Offices

International Property

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday October 19 1984

EEC warned on feed import curbs, Page 42

WALL STREET

Stock prices soar after oil price cut

THE PROSPECTS for a reduction in inflationary pressures and industrial costs in the wake of falling oil prices sent stock prices soaring and interest rates tumbling on Wall Street yesterday, *writes Terry Byland in New York.*

The share market was easier at first, with market indices dragged down by a further spate of falls in oil stocks.

Spurred on by a powerful rise in bonds, however, the stock market turned dramatically higher in the second half of the session to record the strongest daily gain since August 3.

Airline stocks stood out strongly, and industrials featured General Motors at a new high of $81¾ and IBM $4⅝ up at $126¼.

The Dow Jones industrial average, still 1½ points down at midsession, closed 29.49 points up on the day at 1,225.38. Turnover increased strongly as the market gained ground, and the day's share trading total of 150m was the highest since August 10.

In the bond market, the key long-dated issue advanced by more than two full points to 105²³⁄₃₂, to offer a yield of 11.61 per cent, while Treasury bill rates fell by 20 basis points. Both markets received a final boost from Nigeria's decision to cut oil prices.

Encouraged by a dip in the federal funds rate to below 10 per cent, Treasury bill and other short-term rates tumbled in early trading, and the yield on the market's key long-dated Treasury bond fell below 12 per cent for the first time since mid-February.

Some analysts suggested that the credit market's optimism for an easing of Fed policies was overdone. The Fed intervened to drain reserves by means of matched sales of securities when the funds rate dipped to 9¹⁵⁄₁₆ per cent. Official data on personal income indicated continued buoyancy in the U.S. economy.

Oil stocks plunged as investors weighed the implications for earnings of the price cuts by Britain and Norway and prospects for the Opec meeting in October 29. Atlantic Richfield was again a major loser, dipping by a further $1⅛ to $45⅝, with more than 1m shares traded before midday. At $32½, Chevron oil against lost $1.

Exxon was also $1 down at $41⅞ after topping the list of active stocks with 2.2m shares changing hands in the first half of the session.

Industrial stocks featured strong gains in motor issues, where General Motors at $80 was $1¼ higher, Ford at $48½ added $¾ and Chrysler – an immediate beneficiary of lower interest rates – jumped $1⅛ to over $32⅛.

In the chemical sector, Monsanto lost $⅝ to $42¼ on lower earnings, but Dow Chemical at $29 edged up $¼ after the figures were released. Celanese jumped $1¼ to $73¾ on higher earnings.

The market was boosted by a gain of $1¼ to $123¾ in IBM, closely matched by Honeywell $2⅜ up at $57½, and Burroughs $1½ better at $55. Apple Computer, announcing a substantial gain in profits put on $⅝ to $25¼.

Another lengthy list of corporate results had Inco, the world's largest nickel producer, traded steady at $10⅝ after disclosing a trading loss. Schlumberger, the oil search equipment group weakened by the industry slowdown, fell a further $1¼ to $40⅛ after its results.

Rail stocks had Chicago NW $¼ off at $28 on lower profits. Other manufacturing issues responding to statements included 3M, $¼ up at $80; R.J. Reynolds, $½ lower at $67⅛; Maytag, unchanged at $44½; Textron, up $½ at $32⅞; Cox Communications, $¼ off at $48¼; and Kimberley Clark, $¼ off at $44½.

In the consumer sector, Sears Roebuck held steady at $32⅜ after results which bore out recent investment comments, while Coca-Cola, reporting strong sales gains in Japan, gained $⅞ to $63⅞. U.S. Home eased $¼ to $6⅜ on disclosing a third-quarter loss.

TOKYO

Limelight for the neglected

INVESTORS adjudged blue chips overpriced in Tokyo yesterday and turned their attention instead to usually unpopular issues, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average advanced 17 points to 10,759.87 on volume totalling 376.06m shares, down from 409.79m. Losses outpaced gains 369 to 313, however, with 189 issues unchanged. The more widely based Tokyo Stock Exchange index eased 0.97 to 834.47.

The continued drop on Wall Street and the uncertain outlook for the yen-dollar exchange rate started to weigh heavily. High-priced and medium-capital blue chips have soared in recent days, and investors thus grew increasingly cautious and rapidly lost interest in forerunners.

Among the usually neglected stocks, Chori, a trading house under reconstruction with the assistance of banks, soared Y14 to Y164 on the heaviest dealings for the day of 12.54m shares. Takashima, which had scored a daily limit gain of Y50 the previous day, added Y25 to Y272, apparently reflecting a healthy increase in profits of its electronics division.

Shimadzu, which is expanding its optical fibre communications equipment division, went up Y26 to Y703, and Nisshin Spinning, which is branching out into machine tools, advanced Y31 to Y713.

Biotechnology-related pharmaceuticals remained popular, but investors' targets changed. Dainippon Pharmaceutical continued to rise, registering a Y280 increase at one stage, but shed much of the gain later, finishing Y90 higher at Y4,460.

Fujisawa Pharmaceutical came under profit-taking pressure after adding Y50, and closed at Y1,150, down Y30. By contrast, Ihara Chemical jumped Y89 to Y729 and Hisamitsu Pharmaceutical Y60 to Y680.

Leading blue chips eased, with Fuji Photo Film losing Y30 to Y1,630. Among high-priced blue chips, Kyocera dropped Y110 to Y8,330 and TDK Y70 to Y5,130 under small-lot selling.

Bond prices staged a sharp rally as buying gathered momentum, reflecting the firm tone on the New York market. In the wake of the previous day's fall, city and trust banks, financial institutions related to agricultural co-operatives, and corporations purchased a wide variety of bonds, albeit in small lots.

The yield on the benchmark 7.3 per cent government bonds due in December 1993 declined sharply from 7.125 to 7.095 per cent.

AUSTRALIA

RESOURCE STOCKS were highly vulnerable to selling pressure in Sydney as the previous day's nervousness grew on concern about international oil prices.

In the oil and gas sector, Santos dropped 16 cents to A$6.58, after falling 12 cents on Wednesday. Bridge eased 10 cents to A$2.60 and Hartogen 8 cents to A$2.20.

Mineral stocks continued their decline with MIM down 10 cents to A$2.60, taking its loss during the past two days to 40 cents, while Renison fell 10 cents to A$2.70 and CRA 8 cents to A$5.08.

Castlemaine Tooheys, the subject of takeover talk, took its advance during the past two days to 28p with an 18p rise to A$5.28. Nicholas Kiwi, under offer from Reckitt and Colman at A$3.94 a share, rose 5 cents to A$4.25, while Mayne Nickless added 6 cents to A$3.80, compared with APM's offer price of A$3.52.

SINGAPORE

UNCERTAINTY remained present during trading in Singapore ahead of the Malaysian budget today.

Share prices in all sectors closed mixed after thin trading. Industrials were selectively traded with rubbers firm, banks steady and tin and property stocks quiet.

Among actively traded stocks Pan Electric firmed 2 cents to S$3.20, and Inovest 12 cents to S$1.50, while Promet eased 1 cent to S$2.05.

EUROPE

Frankfurt buyers break free

THE MOOD of consolidation starting to pervade the European bourses, after a return by some to peak levels over the past weeks, was again in evidence yesterday – but with the significant exception of the West German market, where buying resumed on a wide front and in strong volume.

Much of the **Frankfurt** enthusiasm was attributed to a decline in domestic bond yields. Although the Bundesbank council meeting yesterday left credit policies unaltered, the trend implies a softer direction for other interest rates, makes equity returns more attractive, allows cheaper corporate investment and paves the way for a stronger economic growth base, all in one sweep.

This theme, along with the already buoyant state of the German economy, has been aired with only minor variations this week in market outlooks produced by at least three major banks, a common refrain being that the summer strike setback is well out of the way.

Given the dominance of the banking groups in equity business, their advice is itself likely to have been a spur to the day's round of purchases.

The close left prices at the session's best, and the strength was thus not fully represented in the midsession calculation of the Commerzbank index, 5.8 up at 1,062.3. Foreign orders were prominent.

A notable DM 30 jump in Allianz to DM 1,085 came amid revived rumours of a corporate reshape involving a stock split. Munich Re, an associate insurer, added DM 15 to DM 1,180.

Car makers showed uniform vigour, amid a boost reported in output by the industry, taking Porsche DM 17.50 upward to DM 1,067.50 and VW DM 4.40 higher to DM 192.

Lufthansa rose DM 6 to DM 157 on the prospect of lower fuel prices.

Preussag was a rare exception, off DM 1 at DM 259 amid its issue of bonds with warrants exercisable at DM 260.

Bond yields continued downward as prices gained as much as ½ point, allowing the Bundesbank to offload DM 114.7m in paper – up from Wednesday's already large DM 107.9m worth.

Milan was the only other centre to show much of a gain, but this derived largely from technical factors on the first day of a new account and was achieved in turnover which tailed off through the day. The Banca Commerciale index finished 3.76 ahead at 212.13.

Speculative demand focused on La Centrale on persistent expectations of a merger with Nuovo Banco Ambrosiano, for which it is the holding company. It rose L52 to L2,127 and was quoted as high as L2,160 after hours, by which time most other issues were slipping.

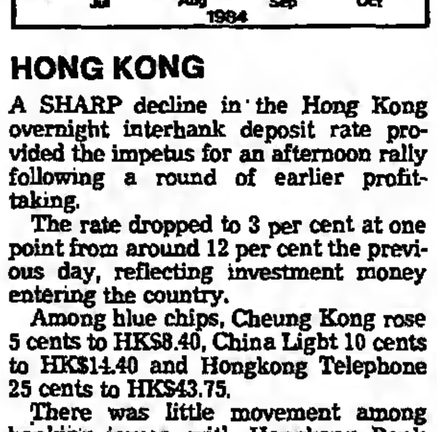
Bonds traded quietly mixed.

The sharpest movements in a mixed **Amsterdam** were oil-related. Royal Dutch fell Fl 5.10 more to Fl 163.1, but KLM jumped Fl 2.80 to Fl 42.30. Unlike its West German counterparts, the market failed to draw much impetus from good gains among domestic bonds, ranging to 30 basis points. Yields reached a year's low.

Paris showed CIT-Alcatel FFr 51 off at FFr 1,151, low **Zurich** volume allowed Alusuisse a SwFr 7 rise to SwFr 747, and Petrofina was again a **Brussels** weak spot with a BFr 110 fall to BFr 7,490.

In a lower **Stockholm,** Astra dipped SKr 5 to SKr 360 ahead of results and its London listing plans. **Copenhagen** accorded Novo its first tentative rally, up DKr 30 to DKr 1,375, since its reduced sales forecast.

Madrid continued its retreat.



HONG KONG

A SHARP decline in the Hong Kong overnight interbank deposit rate provided the impetus for an afternoon rally following a round of earlier profit-taking.

The rate dropped to 3 per cent at one point from around 12 per cent the previous day, reflecting investment money entering the country.

Among blue chips, Cheung Kong rose 5 cents to HK$8.40, China Light 10 cents to HK$14.40 and Hongkong Telephone 25 cents to HK$43.75.

There was little movement among banking issues, with Hongkong Bank registering the most notable move with a 5-cent fall to HK$6.75.

Large foreign orders were behind an 11-cent rise to HK$1.63 by World International, according to several brokers.

LONDON

Late rally from the lowest

A RALLY of surprising momentum yesterday dragged London markets out of a two-day tailspin. In the wake of its largest ever one-day fall, initially extended, the FT Industrial Ordinary index regained 10 points during the afternoon to close down 4.2 at 834.5.

Equities were subject to aggressive selling shortly before noon, but as the stock was absorbed, albeit at lower prices, buyers stepped in to exert a fragile control over the market.

The factors which have driven the index 47 points lower during the past three sessions – fears of a shutdown of British coalfields and weakness of sterling – continue to dominate the thinking of London investors, however.

Oil stocks were among the major losers following the decision to cut North Sea crude oil price. BP fell 10p to 455p, Enterprise Oil 8p to 173p and Lasmo 13p to 295p.

Government securities encountered heavy selling, directed primarily at shorter maturities. Selected stocks dropped over a point before recovering to close only ⅜ lower.

Longer-dated gilts failed to rally to the same degree. After halving early losses of a point, quotations eased again later to close ¾ down in places. Index-linked issues suffered even heavier losses, extending to 1¼ points.

Chief price changes, Page 36; Details, Page 37; Share information service, Pages 38–39

CANADA

CONFUSION about world oil prices sent leading energy issues into a sharp retreat in Toronto. Most groups were marked down at the beginning of trading and continued lower.

Metal and mineral producers and property groups also lost ground, although declines were less steep.

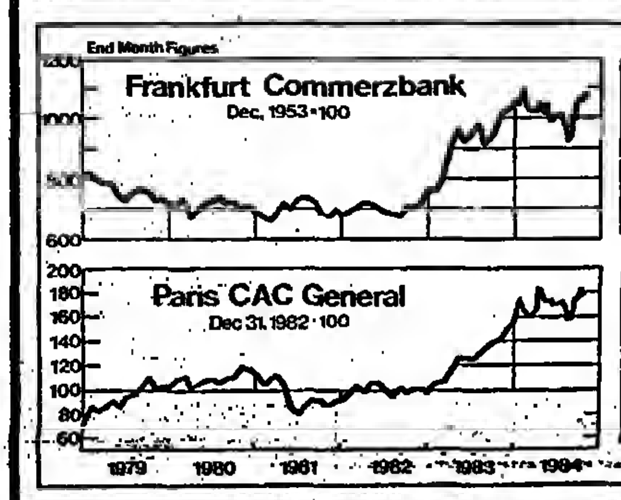
Montreal was also easier during slower trading.

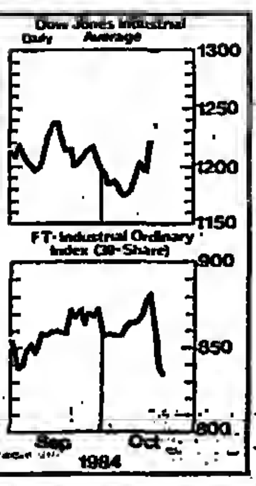
SOUTH AFRICA

WEAKNESS in the bullion price led gold stocks lower in Johannesburg during quiet trading, although losses were generally small.

Among the heaviest losses, Vaal Reefs closed down R4.50 to R169.0 and Simmer & Jack 15 cents to R4.80. Gencor group mines mostly followed the lower trend

KEY MARKET MONITORS





STOCK MARKET INDICES

	Oct 18	Previous	Year ago
NEW YORK			
DJ Industrials	1,225.38	1,195.89	1,250.81
DJ Transport	542.53	526.13	585.47
DJ Utilities	145.52	142.59	137.33
S&P Composite	166.10	164.14	167.81
LONDON			
FT Ind Ord	834.5	838.7	691.0
FT-SE 100	1,088.9	1,099.8	915.5
FT-A All-share	515.94	522.27	432.03
FT-A 500	558.44	565.26	467.47
FT Gold mines	537.8	537.6	510.0
FT-A Long gilt	10.67	10.58	10.54
TOKYO			
Nikkei-Dow	10,759.87	10,742.87	9,349.06
Tokyo SE	834.47	835.44	681.29
AUSTRALIA			
All Ord.	743.9	747.8	682.1
Metals & Mins.	436.3	442.4	509.5
AUSTRIA			
Credit Aktien	56.67	56.59	54.72
BELGIUM			
Belgian SE	162.15	162.93	127.1
CANADA			
Toronto			
Metals & Minls	2,018.72	2,001.04	2,375.0
Composite	2,407.42	2,388.74	2,449.8
Montreal			
Portfolio	117.94*	118.58	120.51
DENMARK			
Copenhagen SE	163.41	161.78	189.09
FRANCE			
CAC Gen	177.8	177.7	141.4
Ind. Tendance	114.9	114.9	89.5
WEST GERMANY			
FAZ-Aktien	371.64	369.91	333.53
Commerzbank	1,062.3	1,076.5	989.7
HONG KONG			
Hang Seng	1026.11	1,017.43	790.04
ITALY			
Banca Comm.	212.13	208.37	183.65
NETHERLANDS			
ANP-CBS Gen	176.0	176.3	142.7
ANP-CBS Ind	139.6	139.3	116.7
NORWAY			
Oslo SE	258.29	261.36	213.44
SINGAPORE			
Straits Times	853.66	855.17	951.75
SOUTH AFRICA			
Golds	984.3	999.5	755.8
Industrials	859.3	862.0	912.4
SPAIN			
Madrid SE	147.83	149.83	121.88
SWEDEN			
J & P	1,434.76	1,447.58	1,432.0
SWITZERLAND			
Swiss Bank Ind	375.6	375.0	343.6
WORLD	Oct 17	Prev	Year ago
Capital Int'l	180.8	181.6	182.7

GOLD (per ounce)

	Oct 18	Prev
London	$340.25	$340.25
Frankfurt	$339.75	$341.00
Zürich	$340.00	$340.50
Paris (fixing)	$336.52	$339.45
Luxembourg (fixing)	$338.25	$339.70
New York (Oct)	$340.80	$336.90

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Oct 18	Previous	STERLING Oct 18	Previous
$	–	–	1.1875	1.2005
DM	3.122	3.121	3.705	3.745
Yen	248.95	249.1	295.5	298.75
FFr	9.5525	9.545	11.34	11.4525
SwFr	2.5535	2.5535	3.03	3.07
Guilder	3.5175	3.5125	4.175	4.22
Lira	1,928.5	1,920.5	2,279.0	2,301.25
BFr	62.95	63.05	74.75	75.5
C$	1.32835	1.32725	1.5745	1.593

INTEREST RATES

	Oct 18	Prev
Euro-currencies (3-month offered rate)		
£	11	10 13/16
SwFr	5½	5⅝
DM	5 5/16	5⅜
FFr	11⅛	11⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	n/a	11
6-month U.S.$	n/a	11 1/16
U.S. Fed Funds	9¾	10¼
U.S. 3-month CDs	10.30	10.50
U.S. 3-month T-bills	9.73	9.78

U.S. BONDS

Treasury	Oct 16* Price	Yield	Prev Price	Yield
11¾ 1986	100¾	11.60	99¾	11.73
12½ 1991	106¾	12.09	100¾	12.22
12½ 1994	102¾	12.11	100¾	12.22
12½ 2014	104¾	11.91	103¾	12.03
Corporate	Oct 16* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	91⅞	12.55	91⅞	12.55
3⅞ July 1990	71	10.85	71	10.85
8¾ May 2000	73	12.80	73	12.80
Xerox				
10⅞ March 1993	89½	12.70	89½	12.70
Diamond Shamrock				
10⅜ May 1993	89	12.80	89	12.80
Federated Dept Stores				
10⅜ May 2013	83⅜	12.75	83⅜	12.75
Abbot Lab				
11.80 Feb 2013	92	12.85	92	12.85
Alcoa				
12½ Dec 2012	93⅜	13.10	93⅜	13.10

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	69-14	69-08	68-16	68-09
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	90.28	90.29	90.15	90.12
Certificates of Deposit (IMM) $1m points of 100%				
Dec	89.58	89.60	89.37	89.34
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	89.02	89.07	88.97	88.85
20-year Notional Gilt £50,000 32nds of 100%				
Dec	104-10	105-04	103-28	105-02

COMMODITIES

(London)	Oct 18	Prev
Silver (spot fixing)	604.80p	603.25p
Copper (cash)	£1,048.50	£1,037.50
Coffee (Nov)	£2,548.00	£2,547.50
Oil (spot Arabian light)	$27.15	$27.68

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 35

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
25⅞	10½	WyleLb	.32 2.4 8	242	13⅜	12¾	13½	+ ⅛
21	16½	Wynns	.60 3.2 10	26	18⅝	18	18⅝	+ ½
		X–Y–Z						
52⅞	33¼	Xerox	3 7.8 10	4109	38¾	38⅝	28¾	+ 1½
51⅛	45¼	Xerox	pf5.45 11	22	48¼	47⅝	48¼	+ ¼
37	19	XTRA	2.3 10	21	27⅛	26⅝	21⅛	+ ⅛
33⅞	24	ZaleCp	1.32 4.8 8	202	27⅛	27	27⅛	+ ¼
24⅞	15¼	Zapata	.84 5.0 12	2414	17	16½	16¾	– ⅛
48	28¼	Zayre	.40b .8 14	866	47⅝	45¼	47⅞	+ 1¼
38⅝	20	ZenithE	10	1364	25¼	25⅛	25⅝	+ ½
27⅝	18	Zero	s .36 1.6 17	14	23	22¼	23	+ ⅜
34	21⅛	Zurnin	1.32 5.5 12	184	24⅛	23¾	23⅞	+ ⅜

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Oct. 18	Price Sch%	+ or −
Creditanstalt	212	+1
Goesser	328	...
Interunfall	329	...
Laenderbank	212	+1
Perlmooser	355	+1
Steyr-Daimler	148	...
Veitscher Mag.	247	+8

BELGIUM/LUXEMBOURG

Oct. 18	Price Frs.	+ or −
B.B.L.	1,850	...
Bekaert B	4,880	+60
Ciment CBR	2,725	−15
Cockerill	227	+2
Delhaize	5,980	...
EBES	2,810	−25
Electrobel	8,870	+70
Fabrique Nat	8,180	...
GB Inno BM	6,410	...
GBL (Brux)	2,340	...
Gevaert	3,750	+50
Hoboken	5,920	...
Intercom	2,115	−25
Kredietbank	7,500	...
Pan Hldgs.	10,200	−50
Petrofina	7,490	+110
Royale Belge	9,550	...
Soc. Gen. Banq.	5,215	−55
Soc. Gen. Belge	1,865	−5
Sofina	7,630	+120
Solvay	4,425	+50
Stanwick Intl.	1,500	...
Tractionel	4,100	...
UCB	6,440	+20
Wagon Lits	2,540	−15

DENMARK

Oct. 18	Price Kr %	+ or −
Andelsbanken	253	+3
Baltic Skand	525	...
CopHandelsbank	255	+5
D. Sukkerfab	560	−5
Danske Bank	249	+3
De Danske Luft	980	...
East Asiatic	174	+4
Forenede Brygg.	745	...
Forenede Damp.	98	+1
GNT Hldg	362	...
I.S.S.B.	405	+6
Jyske Bank	458	+3
Novo Ind.	1,375	+30
Privatbanken	228	+8
Provinsbanken	307	...
Smidth (F)	822	+2
Sophus Berend	845	...
Superfos	422	+11

FRANCE

Oct. 18	Price Frs.	+ or −
Emprunt 4½% 1973	1,723	−2
Emprunt 7% 1973	9,170	−30
Accor	232	−1
Air Liquide	552	−1
BIC	504	...
Bongrain	1,770	...
Bouygues	624	+2
BSN Gervais	2,570	−10
CIT-Alcatel	1,151	−51
Carrefour	1,694	+8
Club Mediter'n	1,029	−5
Cie Bancaire	568	−7
Cofimeg	223.5	+1
Damart	2,135	+65
Darty	1,095	−10
Dumez S.A.	673	−8
Eaux (Cie Gen)	547	−1
Elf Aquitane	236.6	+0.5
Essilor	2,890	+65
Gen. Occidentale	671	+1
Imetal	85.0	...
Lafarge Coppee	372.1	...
L'Oreal	2,483	−17
Legrand	1,950	−20
Maisons Phenix	142	−4
Matra S.A.	1,773	+18
Michelin B	847	−3
Midi (Cie)	1,758	−7
Moet Hennessy	1,798	..
Moulinex	96	−0.6
Nord Est	59.4	+1.5
Pernod Ricard	740	+6
Perrier	514	+1
Petroles Fra.	217.1	+4.1
Peugeot S.A.	199.8	−4.2
Printemp.Aus.	168	−3.1
Radiotech	222.2	+2
Redoute	1,160	+10
Roussel-Uclaf	1,653	−8
Sefimeg	261	+3
SkisRossignol	1,670	−5
Telemech Elect.	1,870	−10
Thomson CSF	380	−3
Valeo	238	−5.5

GERMANY

Oct. 18	Price Dm.	+ or −
AEG-Telef.	109.5	+8
Allianz Vers.	1085	+60
BASF	171.7	...
Bayer	182.5	+1.8
Bayer-Hypo	296.5	+5.5
Bayer-Verein	331	+6
BHF-Bank	869	−0.5
BMW	385	+4.5
Brown Boveri	198.5	+2.5
Commerzbank	169	+8.5
Cont'l. Gummi	125.2	+0.8
Daimler-Benz	894	+5.5
Degussa	375	...
D'sche Babcock	163	+1.5
Deutsche Bank	371	+2.2
Dresdner Bank	172.8	+2.8
GHH	160.3	+2.3
Hochtief	475	−1
Hoechst	122	+0.5
Hoesch Werke	110.7	+1
Holzmann (P)	321.0	...
Horten	174	+4
Hussel	279.4	+0.5
Karstadt	236	−17
Kaufhof	225	+0.5
KHD	252.5	+1.5
Kloeckner	69	−1.2
Linde	383.8	+1.2
Lufthansa	157	+6
MAN	157	...
Mannesmann	156	−0.5
Mercedes Hld.	522.5	+5.5
Metallgesell	220	...
Munech Rueck	1180	+15
Nixdorf	542.5	+7
Porsche	1067.5	+17.5
Preussag	258	−1
Rhein West Elect	166.5	+3.1
Rosenthal	258	+3
Schering	398	+1.5
Siemens	449	+1.5
Thyssen	80.6	+1
Varta	168.5	−0.7
Veba	170.6	+1.6
V.E.W.	119.8	+1.3
Verein-West.	296	+1
Volkswagen	182	+4.4

ITALY

Oct 18	Price Lira	+ or −
Banca Com'le	15,770	+20
Bastogi-IRBS	106	−3
Centrale	2,187	+52
Credito Varesino	3,620	+80
Fiat	1,738	+24
Finsider	54.75	+4.5
Generali Assicur.	30,400	+390
Invest	2,652	+10
Italcementi	52,900	+390
La Rinascenti	455	+7
Montedison	1,171	+18
Olivetti	5,935	+44
Pirelli Co.	3,001	+31
Pirelli Spa	1,761	+46
Snia BPD	1,837	+36
Toro Assic.	11,500	...
do. Pref	8,380	+80

NETHERLANDS

Oct. 18	Price Fls	+ or −
ACF Holding	185	...
AEGON	128	...
Ahold	188	−0.5
AKZO	98.4	−0.2
ABN	348	...
AMEV	181.1	−0.4
AMRO	65.7	+0.2
Bredero Cert.	153.2	−1.8
Bos Kalis Westm.	13.8	...
Buehrmann-Tet.	66.8	...
Callend Hldgs.	32.5	−0.3
Dordtsche Pet'm	145	−4
Elsevier-NDU	105.7	+0.2
Fokker	66	−0.5
Gist Brocades	167.5	+1
Heineken	140.5	+1.5
Hoogovens	63.9	+0.1
Int Mueller	37.7	−0.2
KLM	42.3xe	+2.6
Naarden	46.7	...
Nat Ned Cert	238.7	...
Ned M'd Bank	151.5	+1
Nedlloyd	154	+1
Oce Grinten	267	−0.4
Ommeren (Ven).	30	−0.2
Pakhoed	60.2	−0.
Philips	64.3	...
Robeco	67.2	+0.2
Rodamco	135	+0.1
Rolinco	63.9	−0.1
Rorento	43.5	+1.1
Royal Dutch	163.1	−5.1
Unilever	296.3	+4.3
VMF Stork	129	−1.1
VNU	188.8	+0.8
West Utr Bank	101.8	+0.2

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Oct. 18	Price Kroner	+ or −
Bergens Bank	107	+1
Borregaard	292.5	+0.5
Christiania Bank	146	+1
DenNorske Cred	151	+1
Elkem	115	+1
Kvaerner	162	−1
Norsk Data	830	−2.5
Norsk Hydro	112xa	−6
Storebrand	178	+1

SPAIN

Oct. 18	Price Pta%	+ or −
Bco Bilbao	351	−2
Bco Central	362	−3
Bco Exterior	217	−8
Bco Hispano	237	−5
Bco Popular	397	−7
Bco Santander	336	−8
Dragados	163	−6
Hidrola	75.5	−1.5
Iberduero	23.7	−1.5
Petroleos	155	−0.5
Telefonica	97	−2

SWEDEN

Oct. 18	Price Kronor	+ or −
AGA	347	...
Alfa-Laval	188	...
ASEA (Free)	550	...
Astra (Free)	360	−6
Atlas Copco	89	−3
Boliden (Free)	175xr	−3
Cardo (Free)	238	−6
Cellulosa	118	−3
Electrolux B	235	−3
Ericsson	337	−1
Esselte	285	−6
Mo Och Domsjo	285	−13
Pharmacia	187	−10
Saab Scania Free	500	+10
Sandvik	395	...
Skandia	310	−7
Skan Enskil'da	53.5	...
SKF	157	−2
St Kopparbergs	125	...
Sven Handlesbn.	172	...
Swedish Match	239	−6
Volvo B (Free)	235	−3

SWITZERLAND

Oct. 18	Price Frs.	+ or −
Alusuisse	747	+7
Bank Leu	3,675	+35
Brown Boveri	1,330	−5
Ciba Geigy	2,440	...
do. (Part Certs)	1,925	−5
Credit Suisse	2,215	−5
Elektrowatt	2,500	+20
Fischer (Geo.)	637	+8
Genevoise	3,500	...
Hoff-RochePtCts	92,250	+250
Hoff-Roche 1/10	9,225	+25
Jacobs Suchard	6,125	+25
Jelmoli	1,860	...
Landis & Gyr	1,490	+10
Nestle	5,260	+7
Oer-Buehrle	1,275	+26
Pirelli	263	...
Sandoz (Br)	7,025	−85
Sandoz (PtCts)	1,100	+5
Schindler (PtCts)	616	+5
Swissair	995	...
Swiss Bank	347	...
Swiss Reinsce	7,650	+25
Swiss Volksbk	1,450	+6
Union Bank	3,390	+10
Winterthur	2,990	...
Zurich Ins	17,200	...

AUSTRALIA

Oct. 18	Price Aust $	+ or −
ANZ Group	4.9	...
Acrow Aust	3.00	...
Alliance Oil Dev.	0.99	−0.01
Ampol Pet	1.7	...
Aust Cons Ind.	1.98	−0.05
Aust. Guarantee	3.05	+0.05
Aust. Nat. Inds	2.6	...
Aust. Paper	2.38	...
Bell Group	6.3	...
Bond Corp Hldgs	1.49	−0.04
Boral	3.3	−0.02
Bougainville	1.72	−0.02
Brambles Inds.	3.55	...
Bridge Oil	2.6	−0.1
B.H. Prop	10.8	...
CRA	4.88	−0.06
CSR	2.98	−0.08
Carlton Utd.	4.30	...
Castlemaine Tys.	6.28	+0.16
Coles (G.J.)	4.15	+0.01
Comalco "A"	2.13	−0.07
Consolidated Pet	0.42	...
Costain Aust	1.85	...
Dunlop Aust.	1.88	−0.03
E.Z. Inds.	6.4	...
Elders IXL	4.6	+0.12
Energ Res.	1.6	−0.02

AUSTRALIA (continued)

Oct. 18	Price Aust. $	+ or −
Gen Prop Trust	2.34	...
Hardie (James)	3.45	−0.06
Hartogen Energy	2.2	−0.8
Herald W'yTimes	4.05	...
ICI Aust.	2.15	−0.07
Jimberlana F.P.	0.28	−0.02
Kia Ora Gold	0.12	...
Lend Lease	2.3	−0.1
MIM	2.8	−0.1
Mayne Nickless	3.8	+0.08
Meekatharra	0.9	...
Myer Emporium	1.82	−0.02
Nat. Aust. Bank	3.34	...
News	9.7	−0.1
Nicholas Kiwi	4.25	+0.05
North Bkn Hill	2.33	−0.03
Oakbridge	0.8	...
Otter Expl	0.42	...
Pancont'l	1.15	...
Pioneer Conc.	1.65	−0.01
Queensland Coal	1.17	−0.01
Reckitt & Coln.	2.85	−0.05
Repco	1.18	−0.01
Santos	6.58	−0.18
Smith (Howard)	4.00	...
Southland Min'g	0.25	−0.01
Spargos Expl	0.4	−0.08
Thos. Natwide	1.88	−0.02
Tooth	5.5	...
Vamgas	6.8	−0.05
Western Mining	3.04	−0.06
Westpac Bank	3.86	+0.01
Woodside Petrol.	1.21	+0.01
Woolworths	2.62	−0.03
Wormald Intl	3.00	...

HONG KONG

Oct. 18	Price H.K.$	+ or −
Bank East Asia	20.4	...
Cheung Kong	8.4	+0.05
China Light	14.4	+0.1
Hang Lung Devel	2.8	...
Hang Seng Bank	35.75	+0.25
HK Electric	6.1	...
HK Kowloon Wh.	4.22	+0.12
HK Land	3.17	+0.02
HK Shanghai Bk.	6.73	−0.05
HK Telephone	43.75	+0.25
Hutchison Wpa.	13.8	+0.3
Jardine Math.	7.55	−0.1
New World Dev.	3.8	+0.05
Orient O'seas	2.52	...
O'seas Trust Bk.	2.9	+0.03
SHK Props.	7.2	+0.15
Swire Pac A	18.8	+0.5
Wheel'k Mard A	3.65	...
Wheel'k M'time	1.46	...
World Int. Hldgs.	1.63	+0.11

JAPAN

Oct. 18	Price Yen	+ or −
Ajinomoto	1,100	...
Alps Electric	2,390	−10
Amada	1,190	−80
Asahi Chem.	553	−17
Asahi Glass	839	−4
Bridgestone	570	...
Canon	1,610	...
Casio Comp.	1,780	−20
Chugai Pharm.	1,080	+20
Citizen	610	−5
Daiei	655	...
Dai Nippon Ptg	1,040	+20
Daiwa House	522	+7
Ebara	316	−1
Eisai	1,400	+30
Fanuc	12,650	+250
Fuji Bank	890	...
Fuji Film	1,630	−30
Fujisawa	1,150	−30
Fujitsu	1,430	...
Green Cross	1,680	−20
Hasegawa	375	−1
Heiwa Real Est.	543	+1
Hitachi	859	−2
Hitachi Credit	1,100	+40
Honda	1,250	...
House Food	712	+2
Hoya	2,750	−120
Itoh (C)	274	−2
Ito Yokado	2,420	+40
Iwatsu	1,490	−10
JACCS	319	+4
JAL	4,830	+30
Jusco	765	−10
Kajima	268	−1
Kao Soap	813	+6
Kashiyama	618	−2
Kirin	526	−3
Kokuyo	932	+1
Komatsu	457	+3
Konishiroku	581	+1
Kubota	318	−2
Kumagai	431	−1
Kyoto Ceramic	8,330	−110
Maeda Const.	437	−3
Makino Milling	1,430	−20
Makita	1,120	−20
Marubeni	223	+6
Marudai	582	−8
Marui	1,040	−20
MEI	1,600	...
M'ta Elec Works	628	−1
M'bishi Bank	980	...
M'bishi	501	−1
M'bishi Elec	416	−5
M'bishi Estate	470	...

JAPAN (continued)

Oct. 18	Price Yen	+ or −
MHI	225	+1
Mitsui Co	321	...
Mitsui Estate	631	−4
Mitsukoshi	342	−1
NGK Insulators	890	−10
Nihon Cement	199	+5
Nippon Denso	1,520	...
Nippon Elect	1,240	...
Nippon Express	295	−3
Nippon Gakki	1,380	−20
Nippon Kokan	134	−2
Nippon Oil	880	−15
Nippon Seiko	625	+14
Nippon Shimpan	510	...
Nippon Steel	144	−1
Nippon Suisan	515	−2
NTV	11,300	−250
Nippon Yusen	215	...
Nissan Motor	600	...
Nisshin Flour	461	+1
Nisshin Steel	156	−3
Nomura	717	−5
Olympus	1,130	−10
Orient Leasing	3,550	+50
Pioneer	2,400	−20
Renown	680	...
Ricoh	967	−4
Sankyo	937	−12
Sanyo Elect.	510	−3
Sapporo	358	−2
Sekisui Prefab	560	+10
Seven-Eleven	8,560	+180
Sharp	1,140	−20
Shimadzu	703	+26
Shionogi	705	+20
Shiseido	1,160	−10
Sony	3,840	+20
Stanley	1,030	−50
S'tomo Bank	1,060	...
S'tomo Elect	895	−12
S'tomo Marine	451	−8
S'tomo Metal	143	−2
Taihei Dengyo	456	...
Taisei Corp	184	−3
Taisho Pharm.	960	+3
Takeda	869	+2
TDK	5,130	−70
Teijin	406	−4
Teikoku	696	−4
Tokyo Marine	619	−4
TBS	795	−5
Tokyo Elect Pwr	1,120	+20
Tokyo Gas	148	−1
Tokyo Sanyo	710	−10
Tokyo Style	731	...
Tokyu Corp.	259	−2
Toppan Print	890	−28
Toray	418	−3
Toshiba Elect.	446	...
TOTO	588	−11
Toyo Seikan	790	−3
Toyota Motor	1,330	−10
Victor	2,080	...
Wacoal	746	+1
Yamaha	550	+10
Yamanouchi	1,800	−10
Yamazaki	654	−4
Yasuda Fire	312	...
Yokogawa Bdge.	406	+3

SINGAPORE

Oct. 12	Price $	+ or −
Boustead Hldgs.	1.98	+0.02
Cold Storage	3.02	−0.04
DBS	6.7xa	+0.05
Fraser & Neave	5.35	−0.05
Genting	4.94	−0.02
Haw Par. Bros.	2.11	...
Inchcape Bhd.	2.6	−0.01
Keppel Shipyard	2.79	...
Malay Banking	8.30	−0.05
Malay Brews.	6.85	...
Multi Purpose	1.0	−0.01
OCBC	9.4	...
OUB	3.14	...
Sime Darby	1.98	+0.05
Straits S'mship	1.25	−0.02
Straits Trdg.	4.98	...
UOB	4.6	+0.02

SOUTH AFRICA

Oct. 18	Price Rand	+ or −
Abercom	1.40	...
AE&CI	7.65	...
Anglo Am Coal	66.35	...
Anglo Am Corp.	23.1	−0.1
Anglo Am Gold	165	...
Barclays Bank	16.25	...
Barlow Rand	1025	−0.15
Buffels	78	−2
CNA Gallo	2	...
Currie Finance	3.60	...
De Beers	6.7	...
Driefontein	60	−0.25
FS Geduld	53.25	−0.15
Gold Fields SA	28.75	+0.15
Highveld Steel	4.7	...
Hedbank	12.75	...
OK Bazaars	12.80	...
Protea Hldgs	1.5	...
Rembrandt	25.5	...
Rennies	12.8	...
Rust Plat	15.75	−0.15
Sage Hldgs	7.20	...
SA Brews	6.05	...
Smith (CG)	18	...
Tongaat Hulett	6.9	−0.05
Unisec	4.3	...

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock | Sales (Hnds) | High | Low | Last | Chng

A–A, B–B, C–C, D–D, E–E, F–F, G–G, H–H, I–I, J–J, K–K, L–L, M–M

Stock	Sales (Hnds)	High	Low	Last	Chng
InMobil		223	7	6½	7
IRIS	38	1	1-16	1	1
IT Corp		49	16½	16	16	−½
IntTotal		28	3¼	3⅛	3⅛	+⅛

Continued on Page 44

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Anchor Chemical	190	+ 4
BAT	265	+ 7
DRG	183	+ 7
ICI	662	+ 8
Lincroft Kilgour	143	+ 13
Tyzack & Turner	63	+ 20

FALLS

Tr. 10½pc 1989	£94⅞	− £⅝
Tr. 13¾ '00-03	£120¾	− £½
Tr. 12½pc il '18	£92¾	− £1⅛
Chemring	400	− 38
Clive Discount	48	− 6
Cookson	379	− 28
Haden	188	− 12
Hawker Siddeley	389	− 8
Horizon Travel	145	− 12
Int'l Signal	238	− 15
Lyles (S.)	78	− 9
Pilkington	292	− 13
RMC	358	− 12
Redland	256	− 8
Rowntree M'tosh	334	− 8
Sainsbury	272	− 10
Smith St Aubyn	54	− 9
Stylo	135	− 10
Syst. Designers	445	− 38
BP	455	− 10
Enterprise Oil	173	− 8
LASMO	295	− 13
Shell Transport	610	− 18
Hampton Areas	185	− 13

CANADA

TORONTO

Closing prices October 18

Sales | Stock | High | Low | Close | Chng

Sales	Stock	High	Low	Close	Chng
22650	Czar Res	175	170	173	− 3
25596	Daon Dev	155	150	152	− 3
500	Daon A	170	170	170	
16845	Denison A	$18⅝	18⅛	18⅛	
8940	Lacana	$13	13	13	+ ⅛
352	LL Lac	$32½	32½	32½	− ½
58680	Loblaw Co	$18¼	18	18⅛	− ⅛
1117	Mclan H X	$22	21½	22	+ ½
4010	Merland E	$5⅝	5⅝	5⅝	− ⅛
350	Suncor pr	$24	24	24	
29950	Sydney o	22	20	20	
200	Tara	$15½	15½	15½	
688	Teck Cor A	$9½	9⅛	9⅛	− ⅛
6650	Teck B 1	$10½	10⅛	10⅛	− ⅛

MONTREAL

Closing prices October 18

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close | Ch'ge Prev. Close

Continued from Page 35

S–S, T–T–T, U–U–U, V–V–V, W–W–W, X–Y–Z

LONDON STOCK EXCHANGE

MARKET REPORT

Sharp early falls reduced as markets attempt to pull out of three-day slide

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Oct 1	Oct 11	Oct 12	Oct 22
Oct 15	Oct 25	Oct 26	Nov 5
Oct 29	Nov 8	Nov 9	Nov 19

* "New-time" dealings may take place from 8.30 am two business days earlier.

London share and stock values tumbled for the third successive day and mid-way through the session the FT Index of 30 leading industrial shares looked set to match Wednesday's largest-ever fall. However a rally, which appeared fragile initially, surprisingly gathered momentum later and slide was sharply reversed. Down 14.4 at 1 pm, the index subsequently regained over 10 points to close only 4.2 down on balance at 834.5. Over the past three sessions, the measure has dropped over 47 points and the reasons for this weakness remained very much in the foreground.

Sterling anxieties together with oil price worries and the prospect of a total shutdown of the coalfields continued to be the most serious influences, but another threat emerged. Fears of higher base lending rates suddenly revived following a marked rise in UK money market rates early yesterday. Should this trend persist, the clearing banks would be forced to increase their charges for credit.

The events in money markets, along with the fresh deterioration in the pound, exerted heavy morning pressure on share markets. Equities were sold quite aggressively shortly before noon, but the stock was later absorbed, albeit at lower prices, and this signalled the eventual rally. Leading Oils were the exception and recorded falls ranging to 18, despite closing a few pence above the worst levels. Unconfirmed European reports that Brent crude oil was trading at substantial discounts upset sentiment in the sector.

Government securities also encountered heavy selling, most of which was directed at shorter maturities. As dearer credit fears took hold, selected stocks dropped over a point before recovering sharply to close only a net ½ lower. Longer-dated Gilts failed to rally to the same extent, being affected by futures market trends. After halving early losses of a point, quotations eased again later to close to ½ down in places. Index-linked issues suffered even heavier losses, extending to 1½ points.

Lloyds improve

The major clearing banks displayed considerable resilience. Lloyds closed a few pence dearer at 478p, after 480p, following news of the proposed plan to merge the bank's UK and international (LBI) divisions by January 1986. Midland added 3 at 338p, after 340p. Discount Houses fell sharply now that hopes of lower interest rates have been quashed. Union, 35 lower at 670p, led the decline, while Seccombe Marshall and Campion gave up 20 at 320p and Cater Allen dropped 18 to 465p. Gerrard and National cheapened 17 to 273p and Clive declined 6 to 48p. Smith St Aubyn, also reflecting the disappointing interim statement, dropped 9 to 54p. Merchant banks plotted an irregular course. Charterhouse J. Rothschild eased 4 to 74p and the Warrants dropped 6 to 24p, but recently volatile Mercury Securities rallied 10 to 400p.

Insurances retreated further. Among Composites, General Accident fell 12 to 478p and Sun Alliance lost 5 at 395p, but Commercial Union held up well to close only 2 lower on balance at 182p.

Buildings suffered another shake-out after an initial tentative rally failed to hold. However, prices subsequently moved off the bottom again and, with a few notable exceptions, falls among the leaders were relatively modest. The West German building industry chief's distinctly gloomy view of the West German construction industry's prospects exerted additional pressure on RMC and Redland, both of which have operations in that country; RMC fell to 356p prior to closing a net 12 down at 358p, while Redland finished 8 lower at 256p, after 253p. Elsewhere, Tarmac, a dull counter on Wednesday on suggestions that the group was considering a bid for engineering concern Haden, shed 6 more to 456p. AMEC came under further pressure and shed 7 to 224p, while recently-firm John Laing came back 5 to 190p. Taylor Woodrow lost another 7 to 303p and Costain gave up 4 to 288p, while George Wimpey slipped 2 to 196p.

Lincroft good late

ICI, helped by U.S. demand overnight, opened 4 higher at 658p and made fairly steady progress to close a net 8 up at the day's best of 662p; the third-quarter figures are due next Thursday. Among other Chemicals, good interim results lifted Anchor 4 to 190p, after 195p; but sporadic selling in an unwilling market lowered Hickson International 10 to 380p.

Investors in Stores switched to the more volatile secondary counters. Lincroft Kilgour, which recently fought off a bid from John Finlan, attracted a flurry of support after-hours and advanced 13 to 143p. Waring and Gillow, which has held up exceptionally wel in the recent market shake-out, hardened 3 more to 133p, after 135p. Publication of Dixon's offer document prompted a vehement rejection from takeover target Currys; the latter rallied from 394p to close only a net penny cheaper at 399p, 15 above the shares-and-cash offer from Dixons, 7 lower at 293p, after 290p.

A late rally helped Leading Electricals close well above the day's lowest levels. Plessey were particularly resilient, recovering from 208p to finish 2 better on balance at 214p. Thorn EMI ended 5 down at 417p, after 410p. Elsewhere, falls among secondary issues were quite severe. International Signal and Control fell 15 to 238p, after 228p, while Systems Designers dropped 30 to 445p and Memec 12 to 288p. United Scientific remained on offer at 205p, down 13. Acorn Computer, 83p, and Eurotherm, 240p, lost 10 apiece.

Still reflecting acute disappointment with the interim profits and cautious statement, Hawker Siddeley succumbed to renewed selling and dropped to 379p before closing a further 6 lower for a two-day collapse of 57 to 389p. Other Engineerings, depressed by the increasing prospect of a total shutdown of the coalfields, suffered a fresh widespread setback. Babcock gave up 5 at 127p and Baker Perkins lost 8 at 139p, while Staveley fell 6 to 262p and Simon 7 to 383p. APV, 225p, and Ash and Lacy, 430p, declined 10 apiece, while falls of 20 and 30 respectively were seen in A. Cohen, 460p, and Chemring, 400p. Bulloughs cheapened 12 to 365p and Haden, a firm market of late on talk of a bid from Tarmac, fell 12 to 456p. By way of contrast, Greenbank edged forward a penny to 26p in response to the interim results.

Some leading Food issues closed better on the day, after having been dull initially. Tate and Lyle ended a couple of pence dearer at 400p, after 392p, while Cadbury Schweppes met with late support and finished 2 firmer on balance at 140p. The withdrawal of recent speculative support left Rowntree Mackintosh 8 down at 334p and Ranks Hovis McDougall 2 easier at 98p. Among Retailers, J. Sainsbury fell 10 to 272p and Dee Corporation slipped 3 to 145p. Normans shed 2½ to 64½p; the company has acquired four properties to provide further expansion of its retail warehouse business.

W. Tyzack & Turner up

Miscellaneous Industrial leaders rallied late to end above the session's worst. Pilkington, 13 down at 292p, and Metal Box, 12 off at 320p, were two notable exceptions but BOC recovered from 218p to finish only 5 easier at 224p. Hanson Trust were extremely active and 7 down at 235p. Secondary issues sustained further heavy losses. Cookson fell 20 to 370p, Extel dropped 25 to 320p and Smiths Industries declined 19 to 575p. Applied Computer gave up 12 to 230p as did British Aerospace, to 355p. Davies and Newman, 163p, Silentnight, 40p, and J. Billam, 68p, all fell around 4 following trading statements but W. Tyzack and Sons Turner contrasted with a leap of 20 to 63p in response to the strong profits recovery and resumption of dividend payments. Chubb closed 12 higher at 280p; the bid from Racal has been declared unconditional.

Travel shares weakened with Horizon falling 12 to 145p in the absence of any bid developments. Intasun lost 5 to 105p. Among Television issues, occasional demand lifted LWT "A" 8 to a 1984 peak of 288p.

Jaguar, down to 198p initially, attracted fresh demand and rallied to finish a net 3 to the good at 205p. Reliant, on the other hand, sustained a fall of 3 at 44p. Among Components, recently-beleaguered Dowty settled 2 cheaper at 161p, after 157p, while losses of 4 were common to Automotive Products, 48p, and AE, 86p. Lucas reacted to sporadic profit-taking and closed a few pence off at 228p.

Prominent takeover target DRG remained active and moved settling a net 7 dearer at 183p.

Sporadic offerings lowered Properties, but trading was generally modest. Land Securities were only 2 cheaper at 298p, while MEPC settled just a penny lower at 313p. Great Portland Estates gave up 4 at 182p and Slough Estates cheapened 3 to 139p. Elsewhere, Churchbury Estates gave up 15 at 695p, while news of the rights issue in Convertible loan stock left Estates Property Investment a couple of pence down at 155p. Among recently-firm residential property developers, Daejan closed 7 off at 313p.

Sellers continued to hold sway. Dowson International closed 6 off at 240p. S. Jerome, 53p, and Sirdar, 121p, shed 5 apiece. S. Lyles declined 9 to 78p following disappointing preliminary figures.

Bats rallied 7 to 268p, after 268p, amid talk that a sizeable parcel of shares had been put through the market above the then ruling price.

Oils lower

Crude oil price reductions announced on Wednesday evening by BNOC and fears that the move could lead to a price cutting war among oil producers unnerved an already sensitive oil market. Prices of leading issues were marked down sharply at the outset, but stabilised around midday following news that OPEC is to hold a special consultative meeting in Geneva on October 29 to discuss the world oil prices.

Afternoon trading was much quieter, but leading stocks were left showing widespread losses which ranged to 18 as in Shell, 610p, after 606p. BP settled 10 off at 455p, after 451p, LASMO dropped 13 to 295p, after 291p, and Britoil closed a net 4 cheaper at 208p, after 203p. Enterprise Oil were 6 down at 173p.

Secondary issues mirrored the trend in the leaders with Sovereign Oil 10 lower at 205p 103p. Carless Capel dipped to a 1984 low of 168p, but rallied to close a net 4 off at 173p. Premier settled a like amount lower at 62p.

Overseas Traders closed with losses across the board. Inchcape gave up 10 at 363p, while falls of 4 were common to Lonrho, 148p, and Gill and Duffus, 167p; the last-named is due to reveal interim figures next Wednesday. Harrisons and Crosfield remained friendless and shed 13 more to 405p for a fall of 25 since the first-half results were announced on Tuesday.

Hampton Areas weak

Modest rises prevailed among Plantations. Anglo-Indonesian, a lively market recently, firmed 5 to 215p following the sharp mid-term earnings recovery and doubled interim dividend.

Mining markets escaped relatively unscathed from the latest sharp decline in equities with the notable exception of the UK-registered Financials. Hampton Areas were a depressed market and dropped 13 to 165p, but remaining issues rallied well to close with only modest falls on balance. Rio Tinto-Zinc dipped to 577p before steadying to end the day a net 8 cheaper at 585p, while Consolidated Gold Fields settled 7 down at 485p, after 477p. Charter dipped 5 to 208p, after 205p.

The latest turmoil in foreign exchange markets continued to stifle interest in South African Golds and related issues. Bullion failed to give much of a lead and was finally unchanged at $340.25 an ounce. Golds gave ground at the outset and moved narrowly until the opening of U.S. markets when modest demand from that quarter prompted a minor upturn. However, interest quickly petered out and share prices were left virtually unaltered on the day, as was the Gold Mines index, at 537.6.

Among the heavyweights, Winkelhaak improved ¼ to £30½ in the wake of the increased September-quarter profits as did Kinross, ¼ firmer at £14⅞.

Australians were mixed and generally subdued. Seltrust were suspended, at 47p, ahead of the announcement of a restructuring of the company.

Demand for Traded Options remained buoyant. Total contracts struck amounted to 9,459 —only slightly below Wednesday's record. Operators showed fresh enthusiasm for the FTSE 100 which, in a lively two-way business, accounted for 1,543 calls and 1,240 puts. Understandably, much of the business elsewhere centred on Oils. BP and Lasmo recorded 389 and 196 calls respectively, while 335 puts were transacted in Shell Transport.

FINANCIAL TIMES STOCK INDICES

	Oct. 18	Oct. 17	Oct. 15	Oct. 16	Oct. 12	Oct. 11	Year ago
Government Secs.	79.41	79.80	80.22	80.98	80.25	80.46	81.38
Fixed Interest	83.79	84.14	84.28	84.55	84.94	84.50	84.56
Industrial Ord	834.5	838.7	866.6	881.6	876.0	870.6	691.0
Gold Mines	537.8	307.6	549.2	554.6	548.0	556.2	310.0
Ord. Div. Yield	5.08	0.06	4.90	4.21	4.83	4.86	4.91
Earnings, Yld.% (full)	12.12	12.06	11.89	11.48	11.53	11.60	9.75
P/E Ratio (net) (*)	0.89	9.94	10.20	10.44	10.40	10.34	12.81
Total bargains (Est.)	20,090	22,002	20,580	21,001	16,311	18,768	13,886
Equity turnover £m.	—	380.63	337.85	263.24	405.84	388.42	179.86
Equity bargains	—	18,494	20,140	20,277	20,110	18,703	13,211
Shares traded (ml)	—	170.3	190.0	149.6	267.2	265.2	106.0

10 am 837.3. 11 am 835.8. Noon 828.7. 1 pm 824.3
2 pm 828.6. 3 pm 831.6.
Basis 100 Govt. Secs. 13/2/28. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil 9.50.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	00.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int.	07.48 (14/3)	80.43 (30/7)	156.4 (28/11/47)	50.53 (31/1/75)
Ind. Ord.	922.8 (3/5)	755.3 (23/7)	922.2 (3/5/84)	40.4 (26/6/40)
Gold Mines	711.7 (8/3)	485.7 (1/8)	734.7 (15/2/83)	43.0 (26/10/71)

S.E. ACTIVITY

	Oct. 17	Oct. 10
Daily Gilt Edged Bargains	145.2	136.1
Equities Bargains	119.6	136.5
Equities Value	647.2	682.9
5-day Average Gilt Edged Bargains	156.3	155.2
Equities Bargains	128.6	134.0
Equities Value	690.0	717.1

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (68)

AMERICANS (31)
CANADIANS (5)
BCE; Canadian Pac. Ent.; Seagram; Toronto-Dom. Bk.; Trans. Can. Pipe
BANKS (3)
Sec. Pacific; Wells Fargo; Westpac
BUILDINGS (1)
Pearce (C. H.)
CHEMICALS (2)
Hoechst; Plysu
STORES (1)
Lincroft Kilgour
ELECTRICALS (1)
Microfilm Repro.
FOODS (1)
Nabisco Brands
INDUSTRIALS (9)
Borg-Warner; China Light; Continental Co.; Courtney, Pope; High-Point Services; IC Inds.; Marshall's Univ. 7½pcPf.; Swire Pacific A; Unilever NV
INSURANCE (4)
Alex'der & Alex'der; American Gen. Corp.; Marsh & McLennan; Travelers
LEISURE (2)
LWT A; Ulster TV N/V A
NEWSPAPERS (1)
Link House
PAPER (2)
DRG; Ogilvy & Mather
PROPERTY (2)
Intnl. Inc. Prop.; Towngrade Secs.
TRUSTS (1)
Rorento N/V
PLANTATIONS (1)
Lawrie Group
MINES (1)
Sons of Gwalia

NEW LOWS (101)

BRITISH FUNDS (1)
LOANS (1)
BANKS (1)
BUILDINGS (6)
CHEMICALS (1)
STORES (3)
ELECTRICALS (11)
ENGINEERING (4)
FOODS (3)
INDUSTRIALS (38)
LEISURE (3)
MOTORS (2)
NEWSPAPERS (1)
PAPER (1)
PROPERTY (1)
TEXTILES (3)
TRUSTS (6)
OILS (11)
OVERSEAS TRADERS (1)
MINES (1)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Oct 18 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Wed Oct 17 Index No.	Tues Oct 16 Index No.	Mon Oct 15 Index No.	Fri Oct 12 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (30)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (34)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (187)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (89)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (55)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (485)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (118)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (105)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (741)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Index No.	Day's Change	Day's High	Day's Low				
FT-SE 100 SHARE INDEX	1088.9	-18.9	1093.6	1079.8	1099.8	1124.3	1146.0	1143.7

FIXED INTEREST

PRICE INDICES	Thur Oct 18	Day's change %	Wed Oct 17	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	114.86	-0.32	115.23	—	9.69
2 5-15 years	125.67	-0.54	126.35	—	12.14
3 Over 15 years	133.78	-0.59	134.58	—	11.72
4 Irredeemables	147.36	-0.42	147.98	—	8.90
5 All stocks	[illegible]	-0.46	125.46	—	11.26
6 Debentures & Loans	105.46	-0.74	106.25	—	9.55
7 Preference	74.98	-0.18	75.11	—	5.67
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	106.82	-0.97	107.87	—	2.44

AVERAGE GROSS REDEMPTION YIELDS	Thur Oct 18	Wed Oct 17	Year ago (approx.)
British Government			
1 Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2 15 years	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5 15 years	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]
7 High Coupons 5 years	[illegible]	[illegible]	[illegible]
8 15 years	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]
12 15 years	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]
15 Inflation rate 5%	[illegible]	[illegible]	[illegible]
16 Inflation rate 10%	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
133	F.P.	23/11	185	177	Do. 'A' N-V	182	.....
142	F.P.	23/11	103	174	Security Services	195	.....
A$0.50	Nil	61/10	21pm	72pm	TNT A$0.50	68pm	+1
70	Nil	—	14pm	2pm	✠Tops Ests. 10p	8pm	—5

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. ‡ Figures assumed. † Units comprising one ordinary share and one option. ff Official London Listing. # Shares of no par value. For Extract Wool see Scanro.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct 8	Oct 19	Jan 10	Jan 21
Oct 22	Nov 2	Jan 24	Feb 4
Nov 5	Nov 16	Feb 7	Feb 18

For rate indications see end of Share Information Service

Money was given for the call of LDH, Brunswick Oil, Bowater, SCUSA, Polly Peck, Polymark International, Boots, C. H. Bailey, Atlantic Resources, MFI, Kwik-Fit, Johnson Matthey, Redman Heenan, Commercial Union, Berkeley Exploration, Celtic Haven, Ramar Textiles and BSG International. A put was done in Mercury Securities, and a double in Polly Peck.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	0	100	3
Corpns. Dom and Foreign Bonds	0	50	30
Industrials	140	773	498
Financial & Props	31	313	183
Oils	10	63	54
Plantations	0	8	0
Mines	33	61	86
Others	98	31	50
Totals	317	1,412	909

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Hawker Sidd.	29	395	−51
Burmah Oil	28	216	+11
GUS A	16	598	−25
ICI	12	654	−12
Security Cntrs	10	285	+15
Trafalgar Ho...	12	296	−14
BAT Inds	15	258	−10
Britsn. Arrow	14	83	+ 3
BP	14	465	—
Sun Alliance	13	400	+ 5
BICC	12	215	−13
BTR	12	460	−18
GEC	12	214	− 8
LASMO	12	308	—

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BP	455	−10
Britoil	208	− 4
Burmah Oil	212	− 2
DRG	183	+ 7
Hanson Trust	235	− 7
Intl Signal & Control	238	−15
Jaguar	205	+ 3
LASMO	295	−13
Lloyds Bank	478	+ 3
NatWest Bank	518	− 2
Shell Transport	610	−18
Ultramar	230	−10

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 41,838
A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
B.P. (*456)	350	70	80	88	1	4	3
	420	40	02	80	0½	0	12
	460	9	33	42	13	87	33
	500	1	13	24	46	50	0e
	550	0½	7	12	03	100	110
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Gp. (*132)	140	21	26	29	1	5	4
	150	3	13	16½	3	10	13
	160	1½	4	7	23	20	22
LASMO (*293)	260	42	50	—	0	7	—
	280	83	38	—	0	17	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oct. 18. Total Contracts 9,459. Calls 5,979 Puts 3,480
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
105⅞	101⅛	Treas. 15pc 1985	101½	–⅛	14.84	11.35
102¾	100	Exch. 12pc Cnv. '85	100¼	–⅛	11.97	11.39
96	93⅝	Treas 3pc 1985	95⅝xd	–⅛	3.41	10.87
102⅞	99½	Treas 11½pc 1985	99⅞	–⅛	11.51	11.55
99⅛	96⅜	Treas 8¾pcCnv '85	97⅞	–⅛	8.94	11.32
104⅜	99⅞	Exch. 12¼pc 1985	100⅞	–⅛	12.14	11.45
103⅜	99⅜	Exch. 11¾pc '86	100⅜	–⅛	11.73	11.50
102⅜	96⅜	Treas. 10pcCnv 1986	97⅜	–¼	10.22	11.66
91⅜	86¼	Treas 3pc 1986	91¼xd	–¼	3.29	9.18
102	96¼	Exch. 10½pc Cv '86	98⅛xd	–⅛	10.64	11.50
104⅜	99⅛	Treas 12pc 1986	100⅜	–⅛	11.96	11.73
98⅛	93½	Treas 8½pc 1984-86‡‡	95⅝	–⅛	8.89	11.32
108⅜	102⅛	Exch. 14pc 1986	104⅛xd	–⅛	13.45	11.70
87⅛	85	Exch. 2½pc 1986	86⅜xd	–⅛	2.89	9.74
107⅜	106⅜	Exch. 13¼pc 1987	102½xd	–½	12.93	11.89
106⅛	94½	Treas 10¼pcCv '87	96¼	–⅛	10.59	11.04
86⅛	83¾	Exch 2½pc 1987	85	–½	2.94	9.78
101⅜	94½	Exch 10½pc 1987	97¼	–⅛	10.80	11.81
92⅜	87	Funding 6½pc '85-87‡‡	89¼xd	...	7.24	11.29
99⅝	92⅞	Treas. 10pc 1987	95⅜	–⅛	10.45	11.91
85	81⅜	Treas 3pc 1987	83	–⅛	3.61	10.27
105	97¼	Treas 12pc 1987	100¼xd	–½	11.97	11.92
94⅞	87⅜	Treas 7¾pc 1985-88‡‡	90⅞	...	8.58	11.32
100¼	92⅜	Exch 10½pc '88	96⅛xd	–⅛	10.93	11.92
98⅛	89⅜	Treas 9¾pc Cv '88	93¼	–¼	10.46	12.06
82	77	Transport 3pc '78-88	77⅞	–⅛	1.86	10.43
96⅜	88⅜	Treas. 9½pc '88	92⅛xd	–⅛	10.32	12.06
106⅛	94⅜	Treas 11½pc 1989	98¼	–⅛	11.70	11.99
95⅜	87⅜	Treas 9½pc Cnv. '89	92⅛	–⅛	10.12	11.81
96⅜	90⅜	Treas 10½pc 1989	94⅜	–⅛	11.12	12.08
100⅛	88⅞	Exch. 10pc 1989	92⅞	–⅛	10.80	12.05
98⅛	94⅛	Exch 11pc 1989	96⅛	–⅛	11.45	12.05
85⅛	77½	Treas 5pc 1986-89	79	–¼	6.35	10.51

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
46	29	Marshall L'sy. 'A'	33	−1	†1.2	5.6	5.2	(5.9)
*55	37	Marshall's Univ	50	−2	H2.15	—	5.0	15.0
85	77	Do. 7½pc Cu Red Pf £1	85	+2	7½%	—	12.6	—
30	20	Martin-Black	22½	.....	—	—	—	—
£108	£88	♦Mathelson 7½%	£95	.....	Q1¼%	2.3	F8.4	—
578	287	Metal Box £1	320	−12	15.0	3.0	6.7	5.4
220	129	Metal Closures	138	−4	6.3	2.3	6.5	(7.6)
27	12	♦Metal Sciences 2½p	12	−1	—	—	—	—
19	0	Metamec Jentique	8½	−½	0.01	—	—	—
133	83	♦Midland Marts	103	+3	4.0	1.8	5.6	12.9
68½	45	Mitchell Cotts	66	−2½	4.0	♦	9.0	♦
29	13	Moben Grp 1p	14½	−½	‡0.5	2.5	4.9	(9.1)
160	132	Morgan Crucible	136	−3	†7.5	1.2	7.0	(15.6)
18½	13½	Morris (W) Fine Arts	15	−1	bq0.25	4.0	2.4	13.7
97	80	Moss (Robt.) 10p	93	−2	2.5	2.9	3.8	11.3
390	197	♦NMW Computers	280xd	.....	6.0	5.0	5.5	15.6
65	40	Nash Inds	40	−5	4.0	2.2	14.3	4.6
47	30	Neil&Sp'ncer10p	44	3	—	—	—	18.9
33	15	Newman Industs	15	.....	—	—	—	(8.4)
32	16½	Do. 10pc Cn.Cnv.Pf.	17	−½	10%	—	8.4	—
67	43	Nolton	47	−2	1.1	♦	3.4	♦
175	132	Norcros	165	−6	7.5	2.4	6.6	8.6
86	58	Nu-Swift 5p	58½	−½	—	3.2	—	7.5
100	50	Oakwood Grp.	78	.....	‡d6.5	—	‡	—
190	145	Office & Elect	153	−12	5.24	4.2	5.0	6.9
875	700	Oriflame Intl SA	750	.....	†Q55c	2.2	5.6	8.0
46	22	Ovenstone 12½c	26	+1	Q4.5c	2.2	9.6	4.7
£150	£120	Ozalid Fin. Cv.	£132xd	−5	Q9%	—	16.5	—
190	145	♦PCT Grp 10p	145	−10	bq4.8	♦	4.6	♦
£12½	975	PLM 'B' Sk 25	£12	.....	Q20%	3.2	3.9	8.1
62	40	♦Pacific Sales 10p	43	−2	b2.4	2.2	8.0	(6.5)
207	140	Parker Knoll 'A'	171	−5	9.0	2.8	8.5	5.9
265	197	Pauls	218	+3	8.5	2.0	5.6	7.9
590	403	Pearson	510	+7	†14.0	5.0	3.9	10.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
46	9	♦Nimslo Int 20c	29	.....	—	—	—	[illegible]
*137	104	Norton Opax 10p	120	.....	6d3.0	2.6	3.6	[illegible]
51½	14½	♦Owners Abroad	18¼	.....	0.75	6.1	5.4	[illegible]
66	35	Photax (Lon.)	39	.....	—	—	—	[illegible]
29½	20	♦Pratty Radio NV 5p	23	−1	b1.88	1.0	11.6	[illegible]
130	73	♦Pineapple Dnc St 10p	87	−3	d1.5	4.0	2.5	[illegible]
420	285	Pleasurama 5p	322	−6	6.5	4.7	2.9	[illegible]
16	10½	♦Pres Entertain 10p	15½	−¼	bq0.02	2.0	0.2	[illegible]
158	78	♦Radio City 'A' NV	78	−5	5.6	1.9	11.4	[illegible]
70	30	♦Radio Clyde N/V	50	−3	3.0	1.4	8.6	[illegible]
140	40	Riley Leisure 10p	49	.....	‡4.2	2.4	‡	[illegible]
138	94	Saga Hols. 20p	135	−3	†3.75	1.6	4.0	[illegible]
665	290	Samuelson Grp £1	660	−5	13.3	♦	2.9	[illegible]
27½	18	♦Sangers Photo 10p	23	.....	bq1.25	1.8	7.8	[illegible]
186	98	Scott. TV 'A' 10p	182	.....	8.1	2.9	6.4	[illegible]
415	186	SeaCo Inc $0.123	327	+7	—	—	—	[illegible]
35	22	♦SelecTV 10p	32	.....	—	—	—	[illegible]
140	122	♦Spectrum 5p	125	−2	b2.0	4.2	2.3	[illegible]
37	24	TSW 5p	32	.....	1.5	♦	6.9	[illegible]
157	79	TVS N/Vtg 10p	157	.....	t5.0	♦	4.6	[illegible]
30	22	♦Television Svcs 10p	28	−1	‡0.3	4.2	3.5	[illegible]
90	00	Tottenham Hotspur	78	.....	d2.3	1.0	8.5	[illegible]
161	120	Trid'nt TV 'A' 10p	148	.....	†5.5	1.8	5.3	[illegible]
173	10p	♦21st Century Dist.	158	+3	—	—	—	[illegible]
197	135	♦Tyne Tees TV 'A' £1	155	.....	8.25	2.4	7.6	[illegible]
99	53½	Ulster TV N/V 'A'	99	+1	4.15	♦	1.0	[illegible]
20	17	Webb (Jos.) 5p	27	.....	d0.5	1.0	2.7	[illegible]
98	88	Zetters 5p	89	−1	3.25	3.0	5.2	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
76	35	BL 50p	41	.....	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
280	145	Falcon 750c	160	.....	Q100c	♦	36.4
17	8	Wankie Col. Z$1	9	.....	—	—	—
21	14	Zam.Cpr.SBD0.24	15½	.....	—	—	—

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

[illegible]

OPTIONS — 3-month call rates

[illegible]

"Recent Issues" and "Rights" Page 39

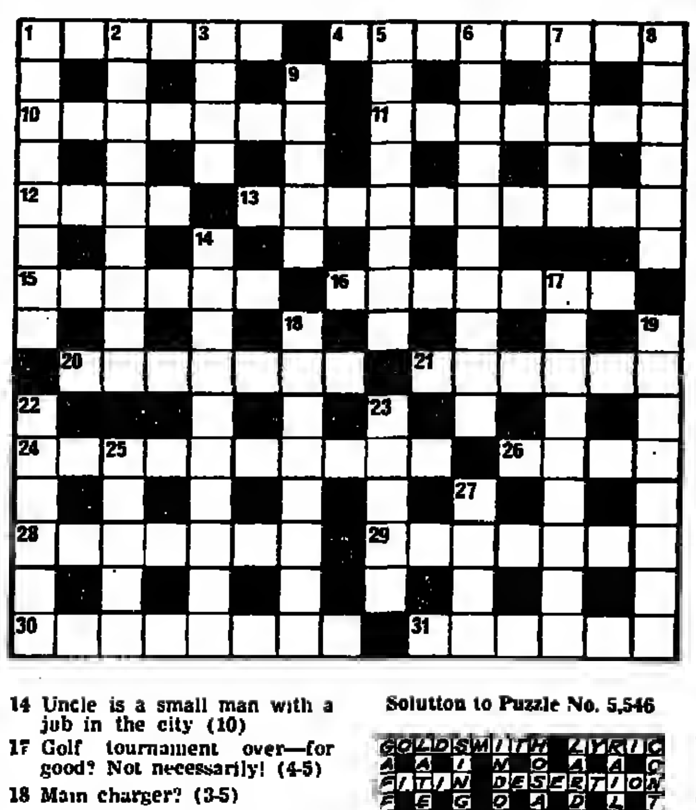
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,547



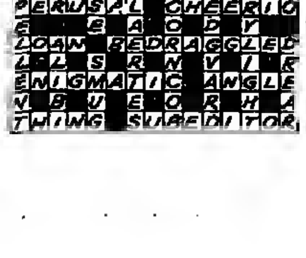
ACROSS

1 Language of boy in love (6)
4 Production saloon on collision course? (5-3)
10 Coating for 3 to disappear right inside (7)
11 A pound?—Menu is off for some egg (7)
12 Extra broad (4)
13 Eccentric rook, easy to knock down (4-6)
15 Disclose secret of American leader in Bacchanal (6)
16 Weariness in bedroom perhaps? (7)
20 Somebody starting with dental trouble is biased (7)
21 Run-ups for bowlers? (6)
24 Ace perhaps, played in "Hare and Hounds" (5-5)
26 Felt oddly sinister (4)
28 More adroit city-dweller (7)
29 Live round the bend like the remainder (7)
30 Crumly most upset about Gaelic? (8)
31 Comic Norman sagacity (6)

DOWN

1 Positively an energetic type—brown-skinned? (4-4)
2 Sort to disturb adder and live? (4-5)
3 One filed for digital display (4)
5 Evidence of one greeting rent reduction (4-4)
6 Insect wide awake at the Savoy? (7-3)
7 Space-traveller to arrive on time (5)
8 Person closely resembling Quasimodo, perhaps (6)
9 Fellow embracing sweetheart at no great cost (5)
14 Uncle is a small man with a job in the city (10)
17 Golf tournament over—for good? Not necessarily! (4-5)
18 Main charger? (3-5)
19 One on mother's ruin gets into the charts (8)
22 Wells manuscript shows sudden bursts of emotion (6)
23 Employers of bogus, ersatz characters (5)
25 What can split beam without effort? (5)
27 Some toasting to Italian wine (4)

Solution to Puzzle No. 5,546



هكذا من الأصل

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St, St Helier, Jersey. 0534 36281

MidBkOffGlt	101.0	101 5xd	−0.4	11.82
MidBkIntBd	$1.02	1.03xd	....	7.77

Minerals, Oils Res. Shrs. Fd. Inc.
PO Box194, St. Helier, Jersey. 0534 27441

MoresOc11	$11.24	11.50ad	−0 30	3.45

Samuel Montagu Ldn. Agents
114, Old Broad St, EC2 01-020 3434

MntAmEq(z)	06.1	101.0	+0 2	5.25
Mont Jap (z)	00 0	70.2	+0.3	4.42
MonGilt (z)	48.2	50 8	−0.2	10.57
MtStRgO2	£10.02	14.03	....	—
MtIaCurOc9	$9 28	0.73	....	—
ApllaAct9	SF108 0	117.22	+3.75	1.19
JapOc15	HK42.85	46.40	....	0.10
117GpS28	$17.65	10 05	....	1.30
MtFROct10	$10 50	10.52	....	—
USFIFSg28	$10.77	11.33	....	—

Murray, Johnstone (Inv. Adviser)
163, Hope St, Glasgow, C. 041-221 5521

HpStOc16	$65 36	70.01	....	—
MrvFdOc18	$10.18	20.41	....	—
PacFdOc17	$3.93	4.18	....	[illegible]

N.E.L. International Ltd
PO Box 119, St Peter Port, Guernsey, CI.

SterlingOcp	76.1	80.1	....	—
SterlingFdaIn	85 8	90.3	....	—
SterlingMan	02.0	100.0	....	—
Intl Fxd Int	101 0	100.8	....	—
IntlManaged	102.8	111.7	....	—

Nat. Westminster Jersey Fd. Mgrs. Ltd
23125 Broad St St Helier, Jersey 0534 70041

HighIFd(a)(o)	51.0	54.0xd	−1.0	11.11
Eqy Fd (a)(o)	92.2	98.0	−3.0	1.97
IntBoFD(a)*	77.7	80.0	....	8.92

*Sub day every Thurs.

County Bank Currency Fund (z)

Dollar Class	$22.8290	+0.0187	—
Sterling Class	£11.2987	+0.0086	—
D-Mark Cl.	DM53.2135	+0.0196	—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg
Inv. Adv.: M.& G. Inv. Mngt. Ltd., London

WldwdeGthF	$1.50	—	−0.03	—

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com.F	12.0	13.3	....	3.10
Chinese Fnd	59.9	62.8	....	1.70
PrecMetlFd	122.6	t27.7	....	8.30
CanqCmdyFd	20.0	26.7	....	2.26
FinFuturesFd	32.1	33.4	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg

DynmcGwF	55.77	100.0xd	+0.04	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36-Berkeley Sq. W1X 5DA. 01-499 6554				
M'hallMnyFd	8.08	10.27	Qtr	Call
The Money Market Trust				
65 Qn Victoria St. EC4H 4ST. 01-230 0852				
Call Fund	0.79	10.09	6-mth	Call
7-day Fnd	10.57	10.70	6-mht	7-day
Oppenheimer Money Management Ltd				
06 Cnnon St, EC4N 6AE. 01-230 1425				
Call Fund	10.05	10.30	6-mth	Call
7-day Fund	10.23	10.40	6-mth	7-day
MnyMgAc	10.00	10.38	3-mth	Call
Dollar	9.19	9.80	6-mth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-630 6070				
Treasury Acc	10.375	10.78	Qtr	Call
MnthlyIacChAc	10.25	10.74	Mth	Call
Bank of Scotland				
30 Threadneedle St, EC2P 2EH. 01-620 E060				
Cheque Acc	10.10	10.58	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton. 0604 252891				
High Int Chq	10.25	10.65	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ, EC2M 5QL. 01-588 2777				
Cater Allen	10.00	10.471	Mth	Call
HighIntStdAcc	0.44	0.00	Daily	Call
Premier Acc	0.44	0.00	Daily	Call
Tyndall & Co.				
29-35 Princess Victoria Street, Bristol BS8 4NX. 0272 732241				
Demand Acc	10.11	10.50	Qtr	Call
Money Acc	10.25	10.65	Qtr	Chq7
J. Henry Schroder Wagg & Co. Ltd.				
Enterprise House, Portsmouth. 0708 027733				
Special Acc	10.15	10 65	Mth	Call
Over £10,000	10.40	10.92	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

OFFSHORE AND OVERSEAS

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. § Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◎ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

UK grain trader calls for export credit boost

By Our Agricultural Staff

ONE OF Britain's leading grain traders yesterday called on the Government to give more backing to cereals exports, by means of improved credit facilities or long-term contracts based on the French model.

Mr David Nelson-Smith, director of Cargill UK said at the opening of the company's newly expanded grain terminal in Hull that government backing had enabled French traders to commit 13.5m tonnes for export so far this season compared with 1.5m from Britain.

Complaints

"Out of six major world exporting countries only two—Britain and Argentina—do not offer credit facilities" he added.

Mr Nelson-Smith's remarks are the latest in a growing chorus of complaints from the UK grain trade about lack of government support. Traders are concerned about the absence of credit facilities for countries considered bad risks by the Export Credits Guarantee Department.

Mr Michael Jopling, the Agriculture Minister, has already voiced scepticism as to whether better credit facilities would help British exporters win new markets.

Officials said yesterday, however, that the Ministry was "actively examining" the possibility of further help for exporters.

● Mr Peter Pooley, EEC Commission deputy director general for agriculture, said at the Cargill opening that this year's Community wheat crop would total 70m tonnes, giving a surplus over domestic demand of 20m.

U.S.–EEC clash on feed imports

BY ANDREW GOWERS IN LONDON AND STEWART FLEMING IN WASHINGTON

IN A continuation of the trans-Atlantic guerrilla war over farm trade, U.S. and EEC officials have clashed again over the Community's plan to curb American duty-free sales of corn gluten feed.

The confrontation in the latest round of talks on American exports of the feed this week in Geneva. Corn gluten is used as a high-protein cereals substitute.

According to EEC officials, the U.S. delegation again refused to discuss the possible modification of its tariff-free concession in corn gluten, or a previous EEC offer to compensate Washington for lost trade under the rules of the General Agreement on Tariffs and Trade.

The American officials are said to have added that if the Community proceeded to curb its corn gluten sales unilaterally, Washington "would be under strong pressure domestically" to retaliate by restricting European wine sales. In Washington, U.S. trade officials denied that their delegation had threatened to act on wine.

At this week's meeting, the second on this issue, the EEC modified its position by offering the U.S. an increased duty-free quota of 3.4m tonnes of feed, compared with a previous proposal of 2.9m tonnes. Under the revised offer, the U.S. would not be entitled to compensation, as the EEC Commission calculates that its lost sales would be minimal.

A Commission spokesman in Brussels said it was likely to be some time before the Community decided to proceed with a unilateral import quota.

In Washington, a spokesman for the U.S. special trade representative's office said that Washington would seek compensation under the Gatt if the EEC sought to impose a tariff.

Dairy trade row continues

BY ANDREW GOWERS

TALKS THIS week between British dairy companies, the Milk Marketing Board and the Ministry of Agriculture have failed to placate the dairy trade in its campaign to reform the board's operations.

Further meetings between the Dairy Trade Federation and the other two parties are expected next week.

Ministry officials have indicated that they will set out ideas for resolving the dispute early in the week, ahead of a special meeting of the federation's government council on Wednesday and a tripartite meeting on Friday.

The Ministry's presentation of its views could pave the way to a compromise. However, if the DTF is not satisfied, Mr Nicholas Horsley, its chairman, has threatened to call for a full government committee of inquiry into the Milk Marketing Scheme, under which the board operates.

Another option for the DTF is to bring the board before the Offices of Fair Trading.

The dairy companies are seeking the right to initiate changes in the scheme, greater powers for the independent arbitrator who mediates between the MMB and the DTF on milk pricing and curbs on what they allege is unfair competition from the board's commercial and manufacturing arm, Dairy Crest.

The MMB, the monopoly supplier of milk in England and Wales, is resisting any changes in the scheme.

Increase in Brazilian coffee output predicted

BRAZIL'S 1985-86 (July-June) coffee production is forecast at 30m bags (60 kg), up from 27m bags estimated for the present season, the U.S. Agriculture Department said.

Improved crop prospects in the states of Sao Paulo and Minas Gerais more than offset damage caused by frost in Parana, it said in its world production and trade report.

Freezing temperatures in late August did not reach these states but caused superficial damage to about 10 per cent of coffee trees in Parana, the Department added.

● COPPER led a general rise in base metal values on the London Metal Exchange yesterday.

The main influence remained the continuing slide in sterling, but reports of fresh physical demand from China were also quoted as a factor encouraging cash high grade copper a £11 advance to £1,048.50 a tonne.

The LME's cash nickel quotation gained the day £63 to at £4,058 a tonne, its highest-ever level.

● DUTCH cocoa bean grindings fell 0.6 per cent to 34,960 tonnes in the third quarter of 1984.

● BRITISH Sugar said its prediction that this year's UK beet sugar crop will be about 1.25m tonnes, the second highest crop on record, were confirmed by recent crop samples and good progress in harvesting and processing.

● INDIAN sugar production in the first 11½ months of the 1983-84 season, ended last month, fell to 583m tonnes from 8.22m in the same 1982-83 period.

● THE U.S. Agriculture Department said exporters reported that 121,440 tonnes of hard red winter wheat originally sold to unknown destinations had been switched to the Soviet Union.

Scraping a living in the Highlands

Mark Meredith on the problems facing Scottish hill farmers

THE hill farmer in the draughty, damp but dramatic Scottish Highlands is an endangered species. Like a shepherd in Greece or a wine grower in parts of Corsica, he has little or no hope of running his farm economically, let alone profitably.

However, the Scot has achieved some success in improving his position through better marketing. The system no longer seems to work quite so much against him.

Were he an industrial worker, he might well have already lost his job. But the hill farmer and many of his European colleagues, operating at the periphery of their domestic economies, are also something of a protected species.

They will receive £2.5bn between 1982 and 1987 in social payments for the least efficient Community farms contained in the EEC. Often over half their income is accounted for by government grants.

While the miner and the steelworker (at least theoretically) can find another job in their more urban setting, the hill farmer has nowhere to turn. So, the assistance is to keep him in his job, not to help find another.

Depopulation is the ever-present threat in the Highlands. Take away the farmer and the fragile social infrastructure starts to crumble. The schools, health facilities, transport disintegrate. The population starts to move out towards the cities.

Within a system and a way of life so dependent on government assistance have come new government measures to encourage more initiative and self-help in agriculture.

Highlands and Islands Livestock (HILL), set up by the Highlands and Islands Development Board last season, has made some progress in getting hill farmers better prices for their sheep and cattle and improving quality. It has also helped put much-needed competition into the marketing structure which worked against the farmer with a small herd.

The Common Agricultural Policy hardly helps the hill farmer. He breeds his sheep over the summer but the subsidies are paid to the farmers who buy his sheep every spring and fattens them for slaughter. As the hill farmer does not receive the real benefit of the market-place, he is paid the HILL Livestock Compensatory Allowance per head of sheep or cattle and he also benefits from the suckler cow and ewe premiums.

In the Highlands this adds up to about £63m in subsidies to some 18,000 farmers—£3,500 per farmer. Net income for hill farmers last year worked out an average of £7,600 for a sheep farm, and £8,600 for cattle.

Selling your entire production once a year is a dangerous business. The market expects a flood of sheep from the Scottish Highlands and Islands at the same time each year often pushing prices down. Also sales are often carried out through one or two buyers travelling to farms in outlying areas. The farmer must sell. He cannot keep his sheep over the winter on the thin grass and must take whatever price is going.

HILL now with 1000 members out of the 18,000 hill farmers in Scotland (there are about 26,600 farmers all together), has improved the selling price of cattle and sheep by 5 to 10 per cent for some west coast hill farmers and as much as 60 per cent for farmers in some remote islands.

By selling direct on behalf of farmers to buyers the organisation has provided an alternative market place and taken out the middlemen who often buy the sheep to sell on to fatteners. The hill farmer has more selling clout than before and his market is more stable.

HILL sells at an agreed price so a farmer knows the price his sheep will fetch during a certain week. Normally he would only know his year's income on auction day.

HILL has overcome some of the problems caused by purchases of small numbers of sheep from large numbers of farmers. It offers buyers a general batching procedure and a classification which in turn encourages farmers to produce the best selling breeds at the best weights.

About 10 per cent of sheep sales in the Highlands—20,000 head this year—have been conducted through HILL. This has made the auction market take notice. About 600 cattle will be traded through HILL this season.

Meanwhile, in trying to improve the overall market conditions for livestock in its preserve, HILL has advertised on behalf of the auctioneers to bring in more buyers.

Record Malaysian palm oil output in September

BY JOHN BUCKLEY

MALAYSIAN production of crude palm oil rose to a record 411,171 tonnes in September from 363,236 tonnes in August, according to European trade sources. They noted output was more than 100,000 tonnes higher than the same month last year and 2 per cent more than the previous record set in September 1982.

Traders had predicted a rise to between 400,000 and 430,000 tinnes for the peak producing month of the season and tonnage nudging the 400,000 level is expected for October. Thereafter output could decline by about 20 to 25 per cent a month as the wintering period starts.

This will put annual production on course for 3.5m tonnes as the palm trees recover from the effects of drought and weevil stress. With new planting schemes reaching maturity, some sources are already confidently predicting output will reach 4m tonnes in 1985.

Demand for palm oil has recently shown strong recovery in India and the Soviet Union, and heavy shipments are reported to be booked out of Malaysia in October and November. Even so there has been some build-up in supplies of crude available to the European market, dealers say.

Many observers believe Malaysia is increasingly reluctant to engage in its traditional practice of price cutting to win markets from soya and other oils.

One reason is market nervousness over the U.S. soyabean crop which is being harvested later than usual under wet conditions in the Mid-West. However, few traders now expect soya oil supplies to run out before the new crop becomes available.

Another explanation put forward by some merchants trading with Malaysia is that producers have grown tired of the decrease in profitability resulting from continual price wars against rival oils.

PRICE CHANGES

[illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES gained ground on the London Metal Exchange following the further weakness in sterling. COPPER reflected increased arbitrage activity and closed at £1,073, while LEAD and ZINC settled at £347.5 and £623.5 respectively. TIN touched £9,770 but slipped back on profit-taking and closed at £9,700. ALUMINIUM continued to attract exceptionally heavy two-way trading and closed at £875.5, after £883.5, while NICKEL was finally £4,122.5, after a record £4,138.

NICKEL

[illegible]

COPPER

[illegible]

SILVER

[illegible]

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9740-60	+25.0	9765-70	+15.0
3 months	9770-8	+8.0	9750-60	+5
Settlem't	9760	+50.0	—	—
Standard				
Cash	9730-40	+50.0	9745-50	+22
3 months	9710-20	+45.5	9725-7	+25.5
Settlem't	9740	+50.0	—	—
Straits E.	$29.15	......	—	—

Tin—Morning: Standard: Three months £9760, 70, 65, 60, 50, 30, 40, 90, cash £9745, 40, three months £9745, 40, 30, 25, 20. High Grade: Three months £9770. Kerb: Standard: Three months £9710, 20, 25. High Grade: Three months £9760. Afternoon: Standard: Three months £9715, £9700, 96, 95, 9700, 05, 10, 25. High Grade: Three months £9760. Kerb: Std: Three months £9720, 25. Turnover: 1,470 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	337.5-8	+1.0	336.5-7.5	+4.87
3 months	345-.0	+2.5	344-.5	+.125
Settlem't	338	+1.8	—	—

Lead—Morning: Three months £347, 47.5, 47, 46.5, cash £337, three months £346, 45.0. Kerb: Three months £345, 44.5, 44. Afternoon: Three months £345, 45.5, £345, 44.5. Kerb: Three months £345, 46, 47, 47.5. Turnover: 12,900 tonnes. U.S. Spot: 22.00-26.00 cents per lb.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	625.5	+7.25	636-7	+16.0
3 months	621-2	+7.00	616-2	+4.25
Settlem't	626	+7.50	—	—

Zinc—High Grade official/unofficial prices: Cash am £692-697, pm £697-707. Three months am £662-667 pm £663-667: settlement £697. Zinc—Morning: Three months £624, 25, 24, 23, 22, 21, 22, 21.5. Kerb: Three months £621, 21.5, 22, 21.5. Afternoon: Three months £621, 20, 20.0, 20, 21. Kerb: Three months £621.5, 22, 23. Turnover: 11,375 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	883-4	+24.7	849-50	+3.8
3 months	877.5-878	+25.5	875.0-4	+4.25

Aluminium—Morning: Three months £879, 80, 81, 82, 83, 82.5, 83, 83.5, 83, 82, 81, 80, 79, 79, 79, 79.5, 79, 79.5, 79, 78, 77, 76.5, 77, 78, 77.5, 78. Kerb: Three months £877, 76, 75.5, 77, 78. Afternoon: Three months £876, 77, 76, 76, 74, 74.5, 76, 75, 74.5, 74, 73, 72.5, 72, 73, 73.5. Kerb: Three months £873, 72.5, 73, 74, 75. Turnover: 7,236 tonnes.

COCOA

After moving £25 higher during the morning futures were unable to hold the gains and eased, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Oct	1900-2300	—	—
Dec	1933-1934	+4.0	1955-1928
March	1902-1904	—11.5	1925-1896
May	1905-1906	—13.0	1926-1902
July	1911-1916	—7.0	1935-1908
Sept	1915-1016	—4.0	1935-1915
Dec	1886-1893	+2.0	1919-1910
Mar	1860-1925	+4.0	—

Sales: 2,821 (4,536) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for Oct 18: 100.72 (102.47): five-day average for Oct 19: 101.30 (101.76).

COFFEE

During a quiet opening lower sterling prompted gains of £7-17, reports Drexel Burnham Lambert. Trade and commission house buying encouraged additional gains but as sterling recovered profit-taking influenced a retracement in thin conditions before trade and dealer support emerged.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov	2646-47	—1.5	2569-30
January	2382-83	+14.0	2393-75
March	2273-76	+6.0	2282-65
May	2240-43	+18.5	2245-29
July	2236-38	+22.5	2234-15
Sept	2225-26	+20.5	2230-19
Nov	2232-25	+31.0	2222-10

ICO indicator prices (U.S. cents per pound) for October 17: Comp. daily 1979 138.78 (135.88): 15-day average 136.98 (135.89).

GRAINS

Business done—Wheat: Nov 107.10-7.00, Jan 111.05-10.90, March 114.35-4.20, May 117.70-7.65, July 110.45 only. Sept 99.00-8.75. Sales: 191 lots of 100 tonnes. Barley: Nov 107.50-7.45, Jan 110.95-10.85, March 113.90-3.70, May 116.75-6.65, Sept untraded. Sales: 142 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
Nov	107.10	+0.15	107.60	+0.30
Jan	111.00	+0.20	110.90	+0.25
Mar	114.35	+0.25	113.85	+0.25
May	117.70	+0.20	116.75	+0.20
July	119.45	+0.20	—	—
Sept	99.00	+0.25	97.60	—

LONDON GRAINS—Wheat: CWRS No. 1 13½ per cent on-origin transhipment Oct 168. U.S. dark northern spring No. 1 15 per cent Nov 157.60, Dec 160.30, Jan 165.30, transhipment east coast. U.S. No. 2 soft red winter Nov 146.25, Dec 146.50, Jan 147.25. English feed fob Nov 107.50, Dec 109.50, Jan-March 114, April-June 119. Barley: English feed fob Oct 108, Nov 111, Dec 112, Jan-March 115, April-June 119. Rest unquoted.

HGCA—Locations ex-farm spot prices. Feed barley: S. East 103.80, S. West 102.80, W. Mids 102.40, N. West 102.10. The UK monetary coefficient for the week beginning Monday October 22 will remain unchanged.

PIGMEAT

Prices once again came under pressure from stale long liquidation and commission house selling in this trade, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Nov	126.70	126.60	128.30-25.40
Feb	119.70	120.00	120.10-19.60
April	118.50	118.50	—
June	116.40	116.30	116.40-16.30
Aug	114.70	115.00	114.70-14.60
Oct	116.80	115.50	116.80-16.50

Sales: 76 (74) lots of 50 carcases 3,250 kg.

POTATOES

...With the physical market continuing weak and the prospect of an imminent upturn unlikely, futures fell again. Support at £71.00, basis April, held prices within a 50p range until the close when renewed selling pressure forced the market into new low ground, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov	52.00	52.50	53.00-51.6
Feb	69.00	60.20	60.00
April	70.50	70.70	72.50-70.50
May	75.00	77.50	75.20-75.00
Nov	74.00	74.80	74.00-73.00

RUBBER

PHYSICALS — The London market opened slightly steadier, attracted little interest throughout the day and closed quiet, reports Lewis and Peat. Closing prices (buyers) spot 81.00p (same): Nov 73.25p (same): Dec 73.50p (same). The Kuala Lumpur Nov fob price for RSS No. 1 was 204.0 (206.0) cents a kg and for SMR 20 was 187.5 (188.5).

FUTURES—RSS No. 1. £ per tonne. Nov 580, 630, 610; Dec 590, 640; Jan 600, 650; Feb 610, 660; March 620, 670; April 630, 680; May 640, 690; June 650, 700 July 655, 710; (Dec-July untraded): 1985 Jan/March 620, 660, 633-630; April/June 650, 690, untraded; July/Sept 680, 715, untraded. Sales: 2 (0) lots of 5 tonnes, 10 (28) lots of 15 tonnes.

SOYABEAN MEAL

The market opened 50p higher in active trading conditions, reports T. G. Roddick. Prices moved back and forth during the day but closed at the opening levels.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	—		—
Dec	142.50-43.50	+0.95	143.00-42.00
Feb	145.80-47.50	+1.05	147.00-45.50
Apr	148.50-49.50	+0.85	144.80-46.60
June	149.20-50.50	+1.10	149.50
August	151.00-54.50	+1.00	—
October	152.00-57.00	+1.50	—

Sales: 33 (19) lots of 20 tonnes, 260 (113) lots of 100 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar $128.50 (£108.00), up $1.50 (up £3.00), a tonne for Oct-Nov-Dec delivery. White sugar $174.50, down $1.50.

Prices fluctuated irregularly in dull trading conditions, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec	146.00-46.60	143.20-44.80	146.10-45.50
Mar	161.20-61.49	159.80-60.00	162.40-59.20
May	167.80-68.00	166.60-66.80	168.40-66.00
Aug	176.50-76.8	175.60-75.80	177.00-75.00
Oct	184.40-84.60	183.40-83.80	185.20-83.00
Dec	191.60-93.00	189.00-91.60	193.20-90.60
Mar	209.00-06.40	204.00-06.00	208.20-06.50

Sales: No. 6 2,404 (2,229) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £212.90 (£210.90) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for October 17: Daily price 4.80 (4.87) 15-day average 4.61 (4.56).

LONDON OIL

SPOT PRICES

[illegible]

GAS OIL FUTURES

[illegible]

GOLD MARKETS

[illegible]

LONDON FUTURES

[illegible]

EUROPEAN MARKETS

[illegible]

MEAT/FISH

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

Oct. 18	Oct. 17	M'th ago	Year ago
1893.5	1896.4	1863.3	1012.8

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Oct. 17	Oct. 18	Month ago	Year ago
Spot	125.01	124.30	124.76	138.97
Fut	—	120.95	124.70	147.15

(Base: December 31 1974 = 100)

MOODY'S

Oct. 17	Oct. 12	M'th ago	Year ago
955.1	960.8	977.0	1036.5

(Base: December 31 1931 = 100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: Apples—Per pound, Cox's 0.13-0.21, Emmley 0.10-0.12, Russets 0.16-0.22, Worcester Pearmain 0.12-0.16, Spartan 0.12-0.16, Charles Ross 0.12-0.15. Pears—Per pound, Conference 0.08-0.13, Comice 0.16-0.24, Beurre Hardy 0.08-0.11. Plums—12 lb, Wyedale 2.00-2.20. Raspberries—½ lb 0.40-0.50. Strawberries—½ lb 0.40-0.50. Potatoes—Per bag 56 lb, whites 2.30-2.50, King Edwards 3.00-3.20, Bakers 5.00-5.50. Mushrooms—Per pound, open 0.60-0.70, closed 0.76-0.80. Lettuce—Per tray round 1.20-1.30, Cos dozen 1.40-1.50; Webb's 1.80-2.00; Iceberg 12s 0.50-7.00, 15s 6.00. Carrots—28 lb 1.00-1.60. Greens—Prime 1.20-1.40; crates, open 2.50-2.80; Jan. King 1.40-1.50. Tomatoes—Tray 12 lb 1.60-1.80. Cucumbers—Tray 6.00-3.60. Cauliflowers—Dozen, Lincs 2.80-3.20; Kent 3.00-3.40. Spring Onions—Bunch 0.08-0.09. Radishes—Bunched 0.12-0.14. Celery—Prepack 3.00-3.30; Loose 1.80-2.30. Watercress—Ice pack 20s 2.40-3.50. Salad—Crisps 16s 1.00-1.10. Courgettes—Per pound 0.35-0.40. Beetroot—Bags 28 lb 1.50-1.80. Onions—55 lb bag 2.80-3.20. Capsicums—Per pound 0.35-0.40. Sprouts—Per pound 0.15-0.20. Corn on the Cob—Each 0.12-0.10. Fennel—Tray 10 lb 3.00-3.50. Leeks—Per pound 0.20-0.22. Swedes—28 lb dirty 1.20-1.30, washed 1.70-1.80. Parsnips—28 lb 2.80-3.00. Turnips—28 lb 2.50-3.00. Cobnuts—Per pound 0.50-0.55. Calabrese—Per pound 0.45-0.50. Pumpkin—Per pound 0.08-0.10.

Imported produce: Oranges—Outspan 8.50-9.20. Tangerines—Spania: Clementines 7.00-8.50. Lemons—Spania: 5 kg 2.00-2.50, 15 kg 5.00-6.00; Outspan: 15 kg 5.00-6.80; Uruguayan: 20 kg 5.80-9.20; Turkish: 2 kg 4.00-4.50; Italian: 15-kg box new crop 5.50;

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 570.0, 573.0, 572.0-571.0; Dec 573.6, 575.0, 574.0; March 582.0, 585.0, 584.0; May 588.0, 592.0, 589.0; July 594.0, 595.0, 594.0; Oct 583.0, 585.0, 584.0; Dec 587.0, 588.5, 588.5; March 594.0, 600.0, 597.0. Sales: 46.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 500, 508, 504; Dec 510, 514, 509-508; Jan 510, 512, 510-509; March 517, 519, 519-517; May 524, 525, 525-523; August 536, 540, 539-535; Oct 540, 545, 542-540; Dec 545, 546, 545-542; Jan 542, 547, 545-544; March 552, 555, 552-549. Sales: 76.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 185 tonnes. Further useful demand was encountered and the offtake remained quite encouraging. Operations centred on North and South American type varities and interest was also displayed in Russian and Turkish styles.

AMERICAN MARKETS

NEW YORK, October 18.

[illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling continues to suffer

Sterling continued to suffer from lower oil prices and the threat of a complete shut down of the mines next week, if pit deputies carry out their strike threat.

Various rumours about oil prices and fears of a price war, following moves by Norway and the UK to reduce the price of North Sea crude, led to early selling of the pound on the foreign exchanges. They may have encouraged some intervention by the Bank of England, *but dealers were not sure* whether the authorities were in the market, and suggested that any support for sterling would have been on a small scale.

The pound touched an all time trading low of $1.1820, before a firmer tone to money market interest rates brought about a partial recovery, followed by another slump in the afternoon.

Sterling touched a peak of $1.1970, but finished at a record closing low of $1.1870-1.1880, a fall of 1.30 cents on the day. The pound was also very weak against other major currencies, falling to DM 3.7050 from DM 3.7450; FFr 11.34 from FFr 11.4525; SwFr 3.03 from SwFr 3.07; and Y295.50 from Y298.75.

Sterling's exchange rate index fell to a record low at 74.2 at noon, and closed 0.9 lower on the day at 74.3, compared with 79.7 six months ago.

The dollar was little changed overall, but trading was nervous because of fears about intervention by the Bundesbank. When a large commercial order to sell dollars was incorrectly rumoured to have originated from the German central bank the dollar fell very sharply. But after quickly losing about 3 pfennigs the dollar staged a recovery to finish slightly higher at DM 3.1220 compared with DM 3.1210, and FFr 9.5525 against 9.5450. It was unchanged at SwFr 2.5535, and eased to Y248.95 from Y249.10. A rise of 0.9 per cent in U.S. personal income during September was in line with expectations, while intervention by the Federal Reserve to drain liquidity from New York banking was expected, and merely prevented any further decline by the dollar.

On Bank of England figures the dollar's index rose to 143.8 from 143.7.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5535. September average 3.0235. Trade-weighted index 120.4 against 126.6 six months ago.

The D-mark weakened against the dollar in quiet Frankfurt trading. Fears of intervention by the Bundesbank kept the market nervous, but there was no sign of dollar sales by the central bank on the open market yesterday. Some confidence was also restored by the comments of the president of the Bundesbank, after the latest central bank council meeting, when he said there was no target level for the D-mark against the dollar, and that the Bundesbank was following a pragmatic policy of intervention. Only $32m were sold by the Bundesbank at the Frankfurt fixing, compared with $103.8m on Wednesday. The dollar opened at around DM 3.12, and was fixed at DM 3.1257, against DM 3.11 previously. Sterling continued to weaken, falling to DM 3.7130 from DM 3.7550 at the fixing. The French franc fell to DM 32.645 from DM 32.650 per 100 francs, and the Dutch guilder also declined.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Previous	Oct 18
8.30 am	—	—
9.00 am	74.8	75.2
10.00 am	74.6	75.4
11.00 am	74.5	75.4
Noon	74.2	75.2
1.00 pm	74.4	75.4
2.00 pm	74.5	75.4
3.00 pm	74.6	75.2
4.00 pm	74.3	75.2

New York rates

	Oct. 18	Prev. close
£ Spot	$1.1877-1.1887	$1.1235-1.1945
1 month	0.04-0.02 pm	0.05-0.51 dis
3 months	0.07-0.08 pm	par-0.03 dis
12 months	0.25-0.45 dis	0.85-1.00 dis

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu October 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.1232	+0.50	+0.48	±1.5428
Danish Krone	8.14104	8.05402	−1.07	−1.09	±1.6421
German D-Mark	2.24184	2.23469	−0.32	−0.34	±1.1463
French Franc	6.87456	6.84387	−0.45	−0.47	±1.3659
Dutch Guilder	2.52595	2.51940	−0.26	−0.28	±1.5165
Irish Punt	0.72569	0.719740	−0.82	−0.84	±1.6671
Italian Lira	1403.49	1376.62	−1.91	−1.91	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Oct 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1820-1.1970	1.1870-1.1880	0.05c pm-par	0.25	0.05 pm-par	0.08
Canada	1.5700-1.5860	1.5740-1.5750	0.16-0.26c dis	−1.56	0.47-0.58dis	−1.33
Nethlnd.	4.16½-4.21	4.17-4.18	1¾-1½c pm	4.67	4⅞-4½ pm	4.43
Belgium	74.60-75.80	74.70-74.80	2c pm-3 dis	−0.08	6 pm-3 dis	−0.05
Denmark	13.31-13.43	13.40-13.41	⅛-1⅛ore dis	−0.56	3⅞-4⅞ dis	−1.23
Ireland	1.1940-1.2068	1.1940-1.1950	0.09-0.28p dis	−1.86	0.48-0.67dis	−1.92
W. Ger.	3.69½-3.73½	3.70-3.71	1⅞-1⅝pf pm	5.06	4⅞-4⅝ pm	4.79
Portugal	193.00-197.00	194.40-195.80	175-485c dis	−20.30	480-1395dis	−19.22
Spain	207.10-208.50	207.20-207.40	20-50c dis	−2.03	100-150 dis	−2.41
Italy	2,275-2,295	2,278½-2,279½	9-12 lire dis	−5.53	27-32 dis	−5.18
Norway	10.65-10.73½	10.72½-10.73½	1⅞-2⅝ore dis	−2.52	6⅞-7⅞ dis	−2.62
France	11.31-11.42	11.33½-11.34½	par-⅞c dis	−0.40	1½-2 dis	−0.65
Sweden	10.41-10.49	10.46½-10.47½	2⅞-3⅞ore dis	−3.44	7⅞-8⅞ dis	−2.91
Japan	294-298	295-296	1.25-1.24y pm	5.26	3.48-3.28 pm	4.56
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 75.40-75.50. Six-month forward dollar par-0.05c dis, 12-month 0.40-0.50c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Oct 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1820-1.1970	1.1870-1.1880	0.05c pm-par	0.25	0.05 pm-par	0.08
Ireland†	0.9805-0.9980	0.9850-0.9865	0.20-0.15c pm	2.12	0.60-0.50 pm	2.22
Canada	1.3258-1.3286	1.3281-1.3285	0.19-0.21c dis	−1.81	0.45-0.49dis	−1.41
Nethlnd.	3.5050-3.5280	3.5170-3.5180	1.33-1.30c pm	4.47	3.90-3.67 pm	4.40
Belgium	62.90-63.24	62.90-63.00	2-3½c dis	−0.52	1-3 dis	−0.13
Denmark	11.22½-11.30	11.23½-11.24¼	par-⅛ore dis	−0.27	⅛-1 dis	−0.27
W. Ger.	3.1080-3.1370	3.1215-3.1225	1.28-1.23pf pm	4.81	3.68-3.65 pm	4.68
Portugal	163½-164½	163½-164½	150-400c dis	−20.12	400-1150dis	−18.90
Spain	174.80-175.45	174.90-175.10	20-35c dis	−1.88	85-115 dis	−2.29
Italy	1,925-1,929	1,928-1,929	9-9½ lire dis	−5.76	24⅞-25⅞dis	−5.14
Norway	8.98½-9.03½	8.98½-9.00¼	1⅞-2⅞ore dis	−2.88	4⅞-5⅞ dis	−2.21
France	9.54-9.61¼	9.54½-9.55½	0.35-0.55c dis	−0.56	1.20-1.60dis	−0.58
Sweden	8.78-8.82½	8.78½-8.79½	2⅞-2⅞ore dis	−0.40	6-6½ dis	−2.38
Japan	248.85-249.50	248.90-249.00	1.06-1.02y pm	5.01	2.73-2.68 pm	4.34
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] pm	3.23
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.10

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.50-63.60.

OTHER CURRENCIES

Oct. 18	£	$		£ Note Rates
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

Oct 18	Bank of England Index	Morgan Guaranty Changes %
[illegible]	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 18	Bank rate %	Special Drawing Rights	European Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

EXCHANGE CROSS RATES

Oct. 18	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): [illegible]

FINANCIAL FUTURES

Softer trend

Sterling based contracts lost ground but finished above the day's lows in the London International Financial Futures Exchange yesterday. A stronger influence overnight in U.S. markets was generally ignored as attention focussed on sterling's fall to record lows and a cut in North Sea oil prices.

Initially rates reflected a false calm in the market, on hopes that UK interest rates would not be pushed firmer. However once sterling fell below $1.1900 against the dollar there was a strong move out of long positions. In addition cash interbank prices were at one point justifying a ½ point rise in base rates.

However sterling's recovery *from its record lows* encouraged some buying back of contracts although there was a further but less frantic sell off towards the close, *leaving values weaker* but about midway between the day's high and low. Fears of a rise in UK base rates raised some interesting questions. A rise of half a point is unlikely to provide sufficient deterence to move rates outside those levels dictated by the market without official guidance from the authorities.

In contrast the bond futures contract improved, mainly on a lower Federal funds rate.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%†

	Close	High	Low	Prev
Dec	89.02	89.07	88.87	88.85
March	88.71	88.77	88.55	89.52
June	88.41	88.48	88.38	88.20
Sept	88.11	88.13	88.11	87.90
Dec	87.62	—	—	87.62

Est volume 4,729 (2,822)
Previous day's open int 10,025 (10,109)
† Repriced

THREE-MONTH STERLING £250,000 points of 100%†

	Close	High	Low	Prev
Dec	88.06	88.40	88.95	89.46
March*	89.10	89.41	89.00	89.50
June*	89.06	88.25	89.06	89.36
Sept*	88.90	—	—	89.20
Dec*	—	—	—	89.62

Est volume 4,815 (2,874)
Previous day's open int 5,803 (6,004)
* £500,000 points of 100%. † Repriced

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	104-10	105-04	103-28	105-02
March	103-28	—	—	104-20
June	103-16	—	—	104-07
Sept	106-16	—	—	107-10
Dec	—	—	—	108-06

Est volume 4,830 (4,628)
Previous day's open int 2,793 (2,724)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 06 to 14 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.1885	1.1965	1.1820	1.2043
March	1.1890	1.1977	1.1820	1.2063
June	1.1908	—	—	1.2086

Est volume 2,015 (98)
Previous day's open int 6,288 (6,258)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3232	0.3290	0.3217	0.3224
March	0.3272	—	—	0.3278
June	—	—	—	0.3716

Est volume 82 (303)
Previous day's open int 357 (281)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.3947	0.3947	0.3933	0.3948
March	—	—	—	—
June	—	—	—	0.4456

Est volume 69 (nil)
Previous day's open int 434 (434)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4042	0.4044	0.4038	0.4045
March	—	—	—	—
June	—	—	—	0.4323

Est volume 3 (142)
Previous day's open int 136 (259)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	109.05	109.85	109.00	110.25
March	109.65	—	—	110.25
June	—	—	—	103.60

Est volume 656 (463)
Previous day's open int 747 (772)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	68-26	68-29	68-16	67-26
March	68-08	—	—	67-08

Est volume 2,805 (590)
Previous day's open int 1,292 (1,289)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-19	68-26	68-16	68-09
March	67-30	68-07	67-28	67-21
June	67-13	67-20	67-10	67-03
Sept	66-31	67-02	66-27	66-19
Dec	66-16	66-19	66-13	66-05
March	66-02	66-07	66-00	65-24
June	66-23	65-23	65-23	65-13
Sept	—	—	—	—
Dec	—	—	—	64-26
March	—	—	—	64-18
June	—	—	—	64-11

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.17	90.22	90.15	90.12
March	89.85	89.90	89.83	89.82
June	89.53	89.59	89.52	89.49
Sept	89.25	89.29	89.25	89.20
Dec	88.98	89.00	88.98	88.83
March	88.73	88.75	89.73	88.67
June	88.49	88.49	—	88.43
Sept	88.25	88.25	—	88.22

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.38	89.44	89.37	89.34
March	89.04	89.10	89.04	89.02
June	88.72	88.78	88.72	88.71

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	88.98	89.03	88.96	88.93
March	88.64	88.71	88.63	88.62
June	88.33	88.39	88.31	88.30
Sept	88.02	89.09	88.01	88.00
Dec	87.74	87.80	87.74	87.71
March	87.47	87.50	87.47	87.48
June	87.21	87.21	—	87.19
Sept	86.99	86.99	—	—

STERLING (IMM) $ per £

	Latest	High	Low	Prev
Dec	1.1900	1.1950	1.1865	1.1920
March	1.1910	1.1965	1.1865	1.1930
June	1.1960	1.1950	1.1900	1.1980
Sept	.1975	1.1976	1.1925	1.1995
Dec	—	—	—	1.2050

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	67-24	67-29	67-22	67-20
March	67-04	67-09	67-03	66-31
June	—	—	—	66-12
Sept	—	—	—	65-26
Dec	—	—	—	65-09
March	—	—	—	—
June	—	—	—	64-13

MONEY MARKETS

UK rates firm on sterling weakness

Interest rates rose sharply in London yesterday in reaction to sterling's fall to record lows. Rates finished slightly below the day's highs, however, as the pound showed a small recovery later in the day. Three-month interbank money was quoted at 10⅞-11⅛ per cent from 10⅝-10¾ per cent and three-month eligible bank bills were bid at 10⅞ per cent from 10½ per cent. Overnight interbank money traded between a high of 10 per cent and a low of 5 per cent.

Yesterday's increase in rates gave rise to increased speculation of a rise in UK clearing bank base rates. Three-month interbank money was as much as half a point firmer from levels prevailing in August, when base rates were last reduced. Interest rates from three-month out to one year represented a flat yield curve, emphasising current market uncertainty on interest rate trends.

UK clearing banks' base lending rate 10½ per cent (since August 20)

The Bank of England forecast a shortage of around £350m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £130m and the unwinding of previous sale and repurchase agreements a further £272m. On the other hand Exchequer transactions added £112m to the system.

The Bank gave assistance in the morning of £310m which comprised purchases of £4m of eligible bank bills in band 2 (15-33 days) at 10½ per cent and in band 3 (34-63 days) £2m of Treasury bills and £206m of eligible bank bills at 10½ per cent. In band 4 (64-91 days) it bought £4m of Treasury bills and £94m of local authority bills all at 10⅜ per cent.

The forecast was revised to around £350m before taking into account the early help and there was no further intervention by the Bank in the afternoon.

The Bundesbank left its key lending rates and credit policies unchanged at yesterday's meeting of the central council. This was much in line with market expectations. Short term liquidity remained tight however, reflecting the Bundesbank's continued intervention in foreign exchange markets. A small reduction in commercial banks' borrowings through the Lombard facility to DM4.2bn on Wednesday from DM4.7bn on Tuesday reflected some technical adjustments ahead of the month end.

MONEY RATES

Oct. 18	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lombard	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Intervention	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Oct. 17 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period September 5 to October 2 1984 (inclusive): 10.904 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from October 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice [illegible]. Treasury Bills: Average tender rates of discount [illegible] per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10⅛ per cent; one-three months [illegible] per cent; three-six months [illegible] per cent; six-nine months [illegible] per cent; nine-12 months [illegible] per cent. Under £100,000 10 per cent from September 12. Deposits held under Series 5 10⅛ per cent. The rates for all deposits withdrawn for cash 7 per cent.

INTERBANK FIXING FT LONDON

LONDON INTERBANK FIXING (11.00 a.m. October 18)

3 months U.S. dollars	
bid 10 9/16	offer 10 11/16

6 months U.S. dollars	
bid 10 13/16	offer 10 15/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	[illegible]
Broker loan rate	[illegible]
Fed funds	[illegible]
Fed funds at intervention	[illegible]

Treasury Bills

One month	8.36
Two month	8.50
Three month	8.75
Six month	8.89
One year	9.21

Treasury Bonds

Two year	100
Three year	101⅛
Four year	104⅛
Five year	102⅞
Seven year	104⅛
10 year	101⅝
30 year	104⅛

$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, October 17, 1984. The Exchequer rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of October 17 at 11.00 a.m.
3 months: 11 6 months: 11 5/16

ECU=$US.717054 SDR1=$US.986867
Sibor as of October 17 at 11.00 a.m.
3 months: 11 1/16 6 months: 11¼

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	8.5727
Algeria	Dinar	5.1569
Andorra	Fr. Franc	9.576
	Sp. Peseta	176.05
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (o)	105.008
Australia	Dollar	1.2038
Austria	Schilling	21.865
[illegible]	[illegible]	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	2.676
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	86.1725
Guinea Rep.	Syli	25.0132
Guyana	Dollar (10)	4.12
Haiti	Gourde	6.00
Honduras Rep.	Lempira	2.00
	Lempira (d)	9.66
[illegible]	[illegible]	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Paraguay	Guarani (o,c)	240.00
	Guarani (d)	394.50
Peru	Sol (o)	4217.06
Philippines	Peso	20.09
Pitcairn Is	N.Z. Dollar	2.0812
Poland	Zloty (O) (6)	185.54
Portugal	Escudo	155.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	6.641
[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate. [illegible]

INTERNATIONAL CAPITAL MARKETS

Warrants fuel new fixed-rate $ issues

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THREE fixed-rate dollar Eurobonds, totalling $300m, were launched yesterday as secondary market prices moved strongly ahead on the back of gains in the New York market.

In keeping with current fashions, however, all three issues had warrants attached to them allowing investors to purchase further paper in the future. Bankers say warrants have become particularly important to European investors who are worried about the strength of the dollar, while they are also especially attractive when interest rates start to fall.

Denmark is raising $100m through a seven-year 13 per cent issue led by Morgan Stanley with County Bank and CIBC Ltd. The bonds carry warrants exercisable for five years that can be used to purchase 12¾ per cent paper due in 1992 at par. The issue price of the package including warrants was set at 103½ and the deal traded yesterday at a discount of around 1⅛ per cent compared with total fees of 1⅞.

Avco Financial Services also launched a $100m bond with a maturity of seven years. Its coupon has been set at 13¾ per cent by lead managers Kidder Peabody and Salomon Brothers. The issue price is par but the bonds bear warrants launched at $40 allowing the purchase of a separate series of 13¾ per cent seven-year bonds. The warrants moved yesterday to $40.50 while the bonds traded at a discount of 1½ points, within the total fees of 1⅞ per cent.

Finally Swedish Export Credit launched a $100m seveo-year 12¾ per cent bond with warrants to buy a separate series of 12½ per cent seven-year bonds. Lead managers Bankers Trust, Merrill Lynch and UBS (Seucrities) priced the package at 103.725.

Perpetual floaters remained another persistent fashion yesterday with the launch of a $75m undated FRN for Den danske Bank through Merrill Lynch. The bonds bear interest at a margin of ¼ per cent over the six-month London interbank offered rate for Eurodollar (Libor) and the borrower can issue a tap of a further $25m over the next nine months.

Elsewhere in the floating rate sector Lloyds Bank launched the £40m balance from its £200m tap issue of floating rate notes brought to the market in August.

D-Mark bonds were also firm yesterday with prices rising by about ¾ points. The Inter-American Development Bank launched a DM 150m eight-year 7½ per cent issue priced at 99½ per cent through Commerzbank. There were no new issues in Switzerland, where secoodary market prices were little changed.

In other currency sectors the European Investment Bank is raising Fl 300m through an 8 per cent 15-year issue led by ABN and Amro. Issue price will be set oext Wednesday. The City of Pusan in South Korea launched a Y25bn Samurai bond through Nomura Securities with a ten-year life and a coupon of 7.4 per cent. Issue price is 99.6 per cent.

WEEKLY U.S. BOND YIELDS (%)

	Oct 17	Oct 10	1984 High	1984 Low
Composite Corp. AA	12.71	12.77	14.23	12.15
Government:				
Long-term	12.09	12.16	13.69	11.51
Intermediate	12.27	12.35	13.79	11.33
Short-term	11.88	11.84	13.22	10.70
Municipal	11.53	10.53	11.74	9.48
Industrials AAA	12.22	12.21	13.66	11.79
Industrials AA	12.62	12.63	14.13	12.02
Utilities AA	12.80	12.93	14.45	12.33
Preferred Stocks	11.56	11.76	12.17	11.07

Source: Standard & Poor's

CREDITS

Greek agency and banks near accord on $300m loan terms

BY OUR EUROMARKETS CORRESPONDENT IN LONDON

TERMS WERE being finalised last night in Athens on the long-awaited $300m, eight-year credit for OTE, Greece's telecommunications agency.

Potential lead managers had been summoned to the Bank of Greece to thrash out final details of the credits, about half of which is to be raised in dollars with the balance split equally between sterling and European currency units, the currency basket of the European Community.

This follows several weeks of market sounding by Greece, during which banks have held out for a margin of ⅝ per cent over Eurocurrency rates throughout the credit's life. Greece on the other hand, has been pressing for a margin of ½ per cent, at least for the first four years.

The loan is being watched closely in the Euromarket because of a continuing feeling that many banks are near their present limits on Greek lending. This explains both the long sounding-out process and the lukewarm reception to Greece's effort to obtain a ½ per cent margin as part of the terms.

Bankers said that Chemical Bank is expected to act as agent on the dollar portion of the credit, while Standard Chartered would be agent for the sterling and Ecu portions. Repayments of the credit are due to start after a four year grace period.

Enagas, the subsidiary of Spain's state energy holding company INH is seeking to refinance a $190m, 10-year loan assembled through a group of banks led by Chase Manhattan in 1979.

It wants to extend the maturity to 1994 and reduce the margin on the credit to just ⅜ per cent over Eurocurrency rates for the first five years, rising to ½ per cent thereafter. The current margins are split between ⅝ per cent and ¾ per cent.

Chase Manhattan said yesterday that the operation involved amendments to the existing loan agreement rather than a new facility. This was necessary to prevent Enagas having first to repay the loan and account fully for foreign exchange losses incurred on its borrowing.

Among other amendments, Enagas is seeking to repay up to $65m of the credit during the next 18 months as well as a multicurrency option that would allow the borrowing to be switched into non-dollar currencies including Ecus.

Renegotiation fees are to be calculated on a sliding scale depending on the size of individual banks' commitment. This ranges up to 30 basis points on amounts not eligible for prepayment. There is also a fee of up to 15 points on amounts eligible for prepayment but there will be a supplementary fee totalling 20 basis points if the borrower decides not to take up the prepayment option.

BHF Bank bond average

Oct. 18	Previous
101.682	101.485
High 1984	Low
101.682	98.056

$50m facility for SKF

By Margaret Hughes in London

THE MANDATE for a seven-year $50m revolving underwriting facility for SKF of Sweden, the world's largest manufacturer of ball bearings and roller bearings, has been awarded to Merrill Lynch Capital Markets and Svenska Handelsbanken. Because the transaction is being syndicated on a club basis—involving a wide geographical spread of the Swedish company's close relationship banks—no terms have been disclosed.

Svenska International, the merchant banking subsidiary of Svenska Handelsbanken, is co-arranger of the facility and co-placing agent of any notes which may be issued. Such notes would have three- and six-month maturities with a Eurodollar deposit related pricing. Svenska Handelsbanken will also act as lead managing underwriter.

The deal will be structured as a stand-by facility which will include a "swing line" for SKF's U.S. commercial paper programme. This will enable SKF to draw on a same-day basis sufficient amounts to cover maturing U.S. commercial paper.

OVER-THE-COUNTER

Continued from Page 36

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

N—N, O—O, P—Q, R—R, S—S, T—T, U—U, V—V, W—W, X—Y—Z

APPOINTMENTS

Senior posts at Albright & Wilson

Mr H. T. Searle has been appointed managing director of ALBRIGHT AND WILSON detergent division from November 1. Mr F. M. Cussons has been appointed deputy managing director. Mr Searle joined A & W in 1954. He became director, speciality products group in the then industrial chemicals division in 1973. He was appointed managing director, agricultural division in 1980. Since the sale of that division in November 1983, he has worked for ICI on secondment to assist in the smooth hand-over of the business. Mr Cussons joined Marchon in 1956. He became engineering director of D & C Group in 1975, and general manager, corporate engineering in 1977.

★

The HENDERSON GROUP has appointed Mr Robin K. Saxby as managing director and chief executive of the security division, which comprises five UK companies — Henderson Security Systems, Pills Security Gates, Henderson Access Control Systems, Frontier Gate Systems, and Henderson U.S. Holdings, together with two U.S. Corporations, Henderson Inc. and Continental Instruments Corpo. Mr Saxby was with the European division of Motorola, as European systems strategy manager.

★

WADDINGTONS BUSINESS FORMS has appointed Mr Keith Benson as managing director. Previously operations director, he takes over from Mr Harry Micklethwaite who is taking semi-retirement but will remain on the board as non-executive director.

★

Mr Mike Vint of Danfoss has been appointed chairman of the newlyformed Buildings Energy Efficiency Confederation (BEEC), in his capacity as representative of HEVAC.

★

HODGSON & FARADAY has appointed Mr Keith Stainton as chairman and Mr Denis Gamberoni as managing director. Mr Geoffrey Rowett, Mr Cyril Blausten and Mr Douglas Blausten join the board.

★

Judith Mortimer Ltd has been acquired by H. G. GRAHAM & SON. Mrs Judith Mortimer herself has been anpointed sales director for Judith Mortimer Ltd.

★

Sir Peter Gadsden has been elected chairman of the ROYAL COMMONWEALTH SOCIETY, an office which is normally held for three years. Sir Peter succeeds Sir Eric Norris who retires after four years as chairman.

★

Mr Sandy McLachlan, former deputy city editor of The Guardian, joins HILL AND KNOWLTON (CITY) on November 1 as a director and head of the city and financial division.

★

Mr Eric Aitkins has been appointed joint managing director of CONTEMPORARY PERFUMERS. He was a founder member some 14 years ago, and he has been a shareholder and a director since incorporation. He has spent the last eight years in the U.S. as president of an American electronics company and prior to that was deputy managing director of Muirhead.

★

Mr David H. Gibson has been appointed to the board of HENDERSON ADMINISTRATION GROUP as financial director. He is already a director of the principal operating subsidiaries of the group.

★

DAVIDSON AND CO., Belfast, manufacturer of fans and associated equipment, has appointed Mr K. J. Elderfield as sales and marketing director.

★

Mr Anthony Archer and Mr Stephen Clark have been appointed assistant directors of COUNTY BANK. Mr David Frain has joined County Bank Investment Management, where he will develop the bank's investment activities in natural resources and commodities. He was previously a director of Rothschild Asset Management.

★

Mr Peter Higgins, managing director of Moveable Drywall Construction, Redditch, has been re-elected president of the DRY LINING AND PARTITION ASSOCIATION for 1984-85. The new vice-president is Mr Dennis Ashmore, managing director of Watson Plasterers, and the honorary treasurer is Mr Arthur Dicker, managing director of Deerwall Contracts.

★

Mr W. "Bill" Ferris has been appointed managing director of NU-WAY. He was managing director of Serck Audco Valves, a BTR subsidiary. Mr David Lawrie who has been serving in this position as a caretaker during the integration of Nu-way Heating and Nu-way Energy becomes engineering and production director.

BASE LENDING RATES

A.B.N. Bank	10½%
Allied Irish Bank	10½%
Amro Bank	10½%
Henry Ansbacher	10½%
Armco Trust Ltd.	11 %
Associates Cap. Corp.	10½%
Banco da Bilbao	10½%
Bank Hapoalim	10½%
BCCI	10½%
Bank of Ireland	10½%
Bank of Cyprus	10½%
Bank of India	10½%
Bank of Scotland	10½%
Banque Belga Ltd.	10½%
Barclays Bank	10½%
Beneficial Trust Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	10½%
CL Bank Nederland	10½%
Canada Permn't Trust	10½%
Cayzer Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
Choulartons	11½%
Citibank NA	10½%
Citibank Savings	§11½%
Clydesdale Bank	10½%
C. E. Coates & Co. Ltd.	11½%
Comm. Bk. N. East	10½%
Consolidated Credits	10½%
Co-operative Bank	*10½%
Tha Cyprus Popular Bk.	10½%
Dunbar & Co. Ltd.	10½%
Duncan Lawrie	10½%
E. T. Trust	11 %
Exeter Trust Ltd.	11 %
First Nat. Fin. Corp.	13 %
First Nat. Secs. Ltd.	12 %
■ Robert Fleming & Co.	10½%
Robert Fraser	11 %
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
Heritable & Gen. Trust	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Hongkong & Shanghai	10½%
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	11 %
Lloyds Bank	10½%
Mallinhall Limited	10½%
Edward Manson & Co.	11½%
Meghraj and Sons Ltd.	10½%
Midland Bank	10½%
■ Morgan Grenfell	10½%
National Bk. of Kuwait	10½%
National Girobank	10½%
National Westminster	10½%
Norwich Gen. Tst.	10½%
People's Tst. & Sv. Ltd.	12 %
R. Raphael & Sons	10½%
P. S. Refson & Co.	10½%
Roxburghe Guarantee	11½%
Royal Bk. of Scotland	10½%
Royal Trust Co. Canada	10½%
■ J Henry Schroder Wagg	10½%
Standard Chartered	‖10½%
Trade Dev. Bank	10½%
TCB	10½%
Trustee Savings Bank	10½%
United Bank of Kuwait	10½%
United Mizrahi Bank	10½%
Volkskas Limited	10½%
Westpac Banking Corp.	10½%
Whiteaway Laidlaw	11 %
Williams & Glyn's	10½%
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%. 1 month 8.00%. Fixed rate 12 months £2,500 8.75% £10,000. 12 months 10.00%.
† 7 day deposits on sums of under £10,000 7¼%. £10,000 up to £50,000 8%. £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 7¼%.
‖ 21-day deposits over £1,000 8¼%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.

CONTRACTS

Racal wins £4.5m U.S. Navy order

A $5.6m (£4.5m) contract to provida the U.S. Navy with precise positioning and data processing systems for mine countermeasures activities has been won by RACAL ELECTRONICS subsidiary Racal-Decca Survey Inc. It is for the supply, installation and commissioning of permanent and mobile Hyper-Fix shore-based transmitting stations by the end of September 1985. Some 36 mine countermeasures guidance packages will be installed on mine sweeping vessels, certain existing transmitting stations will be replaced and there will be 24 ship and 18 helicopter receiver installations.

★

British batteries worth over £2m have been ordered by the Russian railway authority, USSR Railways, from MARATHON ALCAD, Redditch, which will supply several hundred nickel cadmium batteries for engine starting duties on diesel locomotives.

★

TECQUIPMENT INTERNATIONAL, Nottingham has won an order from Greece for £1.76m worth of specialised training aids. This is the third in a series of project orders from Greece part funded by the World Bank which have generated contracts worth £3.5m for TecQuipment this year. The contracts cover the supply of electrical engineering, mechanical and civil engineering, fluid mechanics and thermodynamics training aids for the Greek Ministry of National Education and Religion.

★

TRW FERRANTI SUBSEA has been awarded a contract, worth just under £1m, from Britoil to supply a subsea control system which will control two ball valves at the junction of the northern leg gas pipeline and the spur line from the Statfjord "B" platform. Delivery is scheduled for early 1985 and the system will be installed in 500 feet of water later in the year.

★

The Royal Navy has become the third UK body to order monopulse SSR (secondary surveillance radar) from COSSOR ELECTRONICS. Following orders from the Civil Aviation Authority and the Royal Air Force, the company has oow received an order to supply the system for air traffic control at Royal Naval Air Stations, Yeovilton, Culdrose and Portland. The order, from the Ministry of Defence Procurement Executive, also includes systems for two further RAF airfields and spares for both the RAF and the Royal Navy—a value of £2m. Installation will commence in 1986

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 18.

U.S. DOLLAR STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES

	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS

	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]